



MBOMBELA LOCAL MUNICIPALITY

2016/2017 – 2018/2019 DRAFT BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

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TABLE OF CONTENTS

PART 1 – ANNUAL BUDGET 6

1.1	MAYOR'S REPORT.....	6
1.2	COUNCIL RESOLUTIONS.....	7-11
1.3	EXECUTIVE SUMMARY.....	12-18
1.4	OPERATING REVENUE FRAMEWORK.....	19-24
1.5	OPERATING EXPENDITURE FRAMEWORK.....	25-32
1.6	CAPITAL EXPENDITURE.....	33-44
1.7	ANNUAL BUDGET TABLES - PARENT MUNICIPALITY.....	45-65

PART 2 – SUPPORTING DOCUMENTATION..... 66

2.1	OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	67-70
2.2	OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE IDP.....	71-79
2.3	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	80-85
2.4	OVERVIEW OF BUDGET RELATED-POLICIES.....	85-90
2.5	OVERVIEW OF BUDGET ASSUMPTIONS.....	91-93
2.6	OVERVIEW OF BUDGET FUNDING.....	94-98
2.7	BUDGET SUPPORTING TABLES.....	99-124
2.8	LEGISLATION COMPLIANCE STATUS.....	125
2.9	MUNICIPAL MANAGER'S QUALITY CERTIFICATE.....	126

ABBREVIATIONS, ACRONYMS AND DEFINITIONS

COGTA – Department of Co-operative Governance and Traditional Affairs

CPI – Consumer Price Index

DORA – Division of Revenue Act

EPWP – Expanded Public Works Programs

GDP - Gross Domestic Product

GRAP – Generally Recognised Accounting Practice

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

INEPG – Integrated National Electrification Program Grant

MFMA – Municipal Finance Management Act, 56 of 2003

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act, 06 of 2004

MSA – Municipal Systems Act, 32 of 2000

MTREF – Medium-term Revenue and Expenditure Framework

MWIG – Municipal Water Infrastructure Grant

NDPG – Neighbourhood Development Program Grant

NERSA – National Electricity Regulator of South Africa

NT – National Treasury

PT – Provincial Treasury

PTISG – Public Transport Infrastructure Systems Grant

SDBIP – Service Delivery and Budget Implementation Plan

WSOSG – Water Services Operating Subsidy Grant

The Act – Refers to the Municipal Finance Management Act, 56 of 2003

Adjustment Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Equitable Share – A general grant paid to municipalities.

Operational Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries and wages, and repairs and maintenance.

Rates – Local Government tax based on assessed valuation of a property.

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality for a specific period.

Capital Expenditure – Spending on municipal assets such as property, plant and equipment's. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

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PART 1 – ANNUAL BUDGET

1.1 MAYOR’S REPORT

The Executive Mayor will present his 2016 budget speech during the tabling of the 2016/2017 final budget to council in May 2016 for consideration and approval.

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1.2 COUNCIL RESOLUTIONS

On 24 March 2016, under item A(2), the council of Mbombela Local Municipality met at the council chambers to consider 2016/2017 – 2018/2019 the final annual Budget and Medium-Term Revenue and Expenditure Framework report tabled by the Executive Mayor and resolved that;

- (a) Council take note of the content of the report;
- (b) Council consider and adopt the draft budget and medium term revenue and expenditure framework (MTREF) consisting of an operating and capital budget for 2016/2017 – 2018/2019 financial years, as reflected on the below schedule be approved

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Financial Performance										
Property rates	274,262	290,608	335,674	374,063	374,063	374,063	374,063	408,085	433,386	460,256
Service charges	635,229	709,239	786,819	903,936	903,936	903,936	903,936	1,022,660	1,116,997	1,225,390
Investment revenue	–	–	7,935	9,475	8,341	8,341	8,341	9,342	10,463	11,718
Transfers recognised - operational	382,171	359,287	432,816	574,714	573,838	573,838	573,838	624,125	692,665	779,097
Other own revenue	215,973	178,536	194,189	295,264	287,009	287,009	287,009	306,500	345,244	391,196
Total Revenue (excluding capital transfers and contributions)	1,507,635	1,537,671	1,757,432	2,157,452	2,147,187	2,147,187	2,147,187	2,370,712	2,598,755	2,867,658
Employee costs	418,218	459,897	520,903	546,092	543,953	543,953	543,953	582,030	629,756	679,507
Remuneration of councillors	20,925	25,892	27,887	29,411	29,510	29,510	29,510	31,457	33,408	35,379
Depreciation & asset impairment	240,802	217,955	225,835	191,056	226,375	226,375	226,375	249,592	259,575	269,958
Finance charges	46,639	52,684	58,088	54,340	54,340	54,340	54,340	45,964	43,612	41,309
Materials and bulk purchases	419,565	437,831	480,295	577,132	573,978	573,978	573,978	634,469	693,727	758,353
Transfers and grants	25,874	23,707	26,833	150,239	158,411	158,411	158,411	159,048	169,678	180,678
Other expenditure	623,529	629,735	775,034	633,275	698,291	698,291	698,291	727,130	724,978	769,370
Total Expenditure	1,795,551	1,847,700	2,114,874	2,181,545	2,284,859	2,284,859	2,284,859	2,429,690	2,554,734	2,734,554
Surplus/(Deficit)	(287,916)	(310,030)	(357,442)	(24,093)	(137,672)	(137,672)	(137,672)	(58,977)	44,021	133,104
Transfers recognised - capital	168,277	170,643	409,221	406,592	599,492	599,492	599,492	494,013	503,191	512,893
Contributions recognised - capital & contri	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(119,639)	(139,386)	51,778	382,499	461,820	461,820	461,820	435,035	547,212	645,997
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(119,639)	(139,386)	51,778	382,499	461,820	461,820	461,820	435,035	547,212	645,997
Capital expenditure & funds sources										
Capital expenditure	237,412	230,847	515,942	582,416	807,538	807,538	807,538	626,955	654,252	685,065
Transfers recognised - capital	163,788	176,109	432,539	436,592	588,569	588,569	588,569	494,013	503,191	512,893
Public contributions & donations	3,904	4,072	3,664	3,058	6,058	6,058	6,058	4,723	12,000	7,500
Borrowing	28,497	15,044	40,520	35,280	47,785	47,785	47,785	–	–	–
Internally generated funds	41,223	35,622	39,219	107,486	165,127	165,127	165,127	128,220	139,061	164,672
Total sources of capital funds	237,412	230,847	515,942	582,416	807,538	807,538	807,538	626,955	654,252	685,065
Financial position										
Total current assets	189,657	279,661	361,834	416,433	437,230	437,230	437,230	431,930	600,615	851,315
Total non current assets	5,487,244	5,505,817	5,762,520	5,894,451	5,595,705	5,595,705	5,595,705	5,972,420	6,366,505	6,781,080
Total current liabilities	668,456	842,239	1,114,662	405,105	453,304	453,304	453,304	393,155	413,370	432,918
Total non current liabilities	411,415	485,594	536,195	639,573	644,314	644,314	644,314	640,843	636,186	635,916
Community wealth/Equity	4,597,030	4,457,644	4,473,497	5,266,208	4,935,317	4,935,317	4,935,317	5,370,352	5,917,564	6,563,561
Cash flows										
Net cash from (used) operating	237,553	267,046	469,678	673,088	645,086	645,086	645,086	702,468	824,629	933,797
Net cash from (used) investing	(236,531)	(226,517)	(506,830)	(578,026)	(600,330)	(600,330)	(600,330)	(626,955)	(654,252)	(685,065)
Net cash from (used) financing	(17,256)	36,026	35,883	25,889	30,206	30,206	30,206	(21,203)	(20,410)	(21,596)
Cash/cash equivalents at the year end	19,558	96,112	94,844	274,737	169,805	169,805	169,805	224,116	374,082	601,218
Cash backing/surplus reconciliation										
Cash and investments available	33,255	110,496	110,030	291,779	186,847	186,847	186,847	242,013	392,878	620,958
Application of cash and investments	490,034	652,439	812,888	235,048	173,317	173,317	173,317	173,683	172,549	174,268
Balance - surplus (shortfall)	(456,779)	(541,943)	(702,857)	56,731	13,530	13,530	13,530	68,331	220,329	446,690
Asset management										
Asset register summary (WDV)	5,473,075	5,490,998	5,689,918	5,877,001	5,578,663	5,578,663	5,954,522	5,954,522	6,347,709	6,761,341
Depreciation & asset impairment	240,802	217,955	225,835	191,056	226,375	226,375	249,592	249,592	259,575	269,958
Renewal of Existing Assets	74,389	69,523	231,137	276,420	485,420	485,420	485,420	319,713	363,157	384,272
Repairs and Maintenance	133,783	155,117	183,926	193,055	193,055	193,055	198,847	198,847	204,415	209,729

- (c) Council adopts the draft operating expenditure projects budget for the 2016/2017 – 2018/2019 financial years, attached as **Annexure 29/2016**, summarised as per municipal priority as tabulated below, be approved;

2016/2017 DRAFT OPERATING PROJECTS - SUMMARY PER DEPARTMENT				
DEPARTMENT	MUNICIPAL PRIORITY	2016/2017 BUDGET ESTIMATE	2017/2018 BUDGET FORECAST	2018/2019 BUDGET FORECAST
City Planning and Development	Economic Development	R 4,953,438	R 4,981,080	R 5,292,145
	Integrated Human Settlement	R 1,300,000	R 500,000	R -
	Revenue Enhancement	R 8,750,000	R 10,691,000	R 12,008,460
City Planning and Development Total		R 15,003,438	R 16,172,080	R 17,300,605
Community Services	Community Development	R 19,748,000	R 13,506,000	R 12,489,360
	Waste Management	R 1,000,000	R 530,000	R 561,800
Community Services Total		R 20,748,000	R 14,036,000	R 13,051,160
Corporate Services	Good Governance and Institutional Development	R 27,650,000	R 29,472,000	R 30,484,320
Corporate Services Total		R 27,650,000	R 29,472,000	R 30,484,320
Council	Good Governance and Institutional Development	R 10,800,000	R 11,448,000	R 12,134,880
Council Total		R 10,800,000	R 11,448,000	R 12,134,880
Deputy Municipal Manager	Good Governance and Institutional Development	R 4,743,780	R 6,380,000	R 6,505,400
	Waste and Environment Management	R 10,342,752	R 2,600,000	R 1,500,000
Deputy Municipal Manager Total		R 15,086,532	R 8,980,000	R 8,005,400
Financial Services	Financial Management	R 12,600,000	R 11,736,000	R 12,889,920
	Revenue Enhancement	R 5,105,263	R 6,821,579	R 7,050,874
Financial Services Total		R 17,705,263	R 18,557,579	R 19,940,794
Infrastructure Development	Electricity Supply	R 2,239,409	R 4,000,000	R -
	Good Governance and Institutional Development	R 20,455,197	R 21,703,224	R -
	Revenue Enhancement	R 4,259,585	R 4,000,000	R -
	Roads and Stormwater	R 14,220,000	R 17,900,000	R 18,900,000
Infrastructure Development Total		R 41,174,191	R 47,603,224	R 18,900,000
Municipal Manager	Community Development	R 1,500,000	R 20,109,298	R 45,982,593
	Good Governance and Institutional Development	R 17,318,759	R 6,059,267	R 1,000,000
	Public Transport	R 26,094,737	R 34,131,579	R 34,131,579
Municipal Manager Total		R 44,913,496	R 60,300,144	R 81,114,172
Office of the Chief Whip	Good Governance and Institutional Development	R 1,300,000	R 1,900,000	R 1,900,000
Office of the Chief Whip Total		R 1,300,000	R 1,900,000	R 1,900,000
Strategic Planning and Executive Support	Good Governance and Institutional Development	R 8,600,000	R 10,360,000	R 10,306,200
Strategic Planning and Executive Support Total		R 8,600,000	R 10,360,000	R 10,306,200
Water and Sanitation	Revenue Enhancement	R 4,159,585	R 4,467,221	R 4,794,864
	Sanitation	R -	R 1,000,000	R 500,000
	Water & Sanitation	R 3,553,600	R 1,226,334	R 894,321
	Water Supply	R 1,572,843	R 3,150,000	R 4,376,334
Water and Sanitation Total		R 9,286,028	R 9,843,555	R 10,565,519
GRAND TOTAL		R 212,266,948	R 228,672,582	R 223,703,050

- (d) Council adopts the draft capital expenditure budget for the 2016/2017 – 2018/2019 financial years detailed as **Annexure 30/2016**, summarised per municipal priority as tabulated below;

2016/2017 DRAFT CAPITAL BUDGET - SUMMARY PER DEPARTMENT			
DEPARTMENT AND MUNICIPAL PRIORITY	Sum of 2016/2017 BUDGET ESTIMATE	Sum of 2017/2018 BUDGET FORECAST	Sum of 2018/2019 BUDGET FORECAST
City Planning and Development			
Economic Development	R 49,424,035	R 57,918,965	R 48,343,061
Integrated Human Settlement	R 2,000,000	R 3,000,000	R 4,000,000
Rural Development	R 4,000,000	R 3,620,000	R 3,947,200
City Planning and Development Total	R 55,424,035	R 64,538,965	R 56,290,261
Community Services			
Community Development	R 19,470,000	R 16,300,000	R 17,447,200
Waste and Environment Management	R 7,150,000	R 15,470,567	R 21,411,726
Community Services Total	R 26,620,000	R 31,770,567	R 38,858,926
Corporate Services			
Good Governance and Institutional Development	R 7,900,000	R 7,500,000	R 16,850,000
Corporate Services Total	R 7,900,000	R 7,500,000	R 16,850,000
Deputy Municipal Manager			
Waste and Environment Management	R 500,000		
Deputy Municipal Manager Total	R 500,000		
Financial Services			
Financial Management	R 11,824,124	R 13,000,000	R 9,490,800
Financial Services Total	R 11,824,124	R 13,000,000	R 9,490,800
Infrastructure Development			
Community Development	R 26,735,904	R 59,757,232	R 70,187,600
Electricity supply management	R 24,294,976	R 10,360,526	R 8,041,228
Good Governance and Institutional Development	R 3,400,000	R 2,150,000	R 800,000
Public Transport	R 149,394,737	R 122,800,000	R 110,187,895
Revenue Enhancement	R 4,054,002	R 7,000,000	R -
Roads and Stormwater Management	R 110,152,667	R 100,500,000	R 101,356,807
Infrastructure Development Total	R 318,032,287	R 302,567,759	R 290,573,530
Municipal Manager			
Good Governance and Institutional Development	R 9,466,152	R 12,673,859	R 27,166,908
Municipal Manager Total	R 9,466,152	R 12,673,859	R 27,166,908
Water and Sanitation			
Revenue Enhancement	R 3,547,252	R 3,834,831	R 4,158,552
Sanitation	R 40,365,152	R 26,556,969	R 28,183,826
Water Supply	R 153,276,479	R 191,809,289	R 213,492,128
Water and Sanitation Total	R 197,188,883	R 222,201,089	R 245,834,506
Grand Total	R 626,955,481	R 654,252,240	R 685,064,931

- (e) the annual budget for the financial year 2016/2017; and indicative allocations for the two projected outer years 2017/2018 and 2018/2019; and the multi-year and single year capital appropriations be considered as set-out in the new budget and reporting regulations attached as **Annexure 31/2016**;
- Budgeted Financial Performance (revenue and expenditure by standard classification)
 - Budgeted Financial Performance (revenue and expenditure by municipal vote)
 - Budgeted Financial Performance (revenue by source and expenditure by type)
 - Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.
- (f) the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets as set out in the new budget and reporting regulations in the following tables as in **Annexure 32/2016**;

- Budgeted financial position
- Budgeted cash flows
- Cash backed reserves and accumulated surplus reconciliation
- Asset management
- Basic service delivery measurement

(g) in terms of sections 24(2)(c)(i) and (ii) of the Local Government : Municipal Finance Management Act, 56 of 2003, sections 74 and 75A of the Local Government: Municipal Systems Act, 32 of 2000, as amended and the Municipal Property Rates Act, 6 of 2004, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out below, that were used to prepare the estimates of revenue by source, be considered for implementation with effect from 1 July 2016;

Rates and Services Charges Tariffs Increase	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Property Rates	6,50%	0,00%	6,00%	6,60%	6,20%	5,90%
Electricity	6,41%	8,06%	12,20%	7,64%	8,96%	8,90%
Water	8,00%	8,50%	38,00%	37,00%	35,00%	35,00%
Refuse Removal	9,50%	10,00%	8,00%	7,88%	8,22%	8,55%
Sewerage	8,00%	8,50%	-18,00%	-18,00%	-18,00%	-10,00%
Concession Area - Water and Sanitation				11,82%	12,52%	12,85%
Sundry charges tariffs and fees Increase %	12,00%	12,00%	12,00%	12,00%	12,00%	12,00%

(h) Council approves the revenue enhancement programme attached as **Annexure 28 /2016**;

1.3 EXECUTIVE SUMMARY

The application of sound budget and financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and also promulgating its credit control and debt collection policy into a by law.

The guidelines and assumptions in accordance with the Municipal Finance Management Act and its Regulations and Circulars as well as other relevant legislations have also been taken into consideration when compiling the draft 2016/2017 – 2018/2019 annual budget and MTREF, including the prevailing macro and internal environment factors. This budget is prepared in the time when our country and the municipality is faced with the following challenges;

- (a) The country is faced with an economic downturn and higher inflationary pressures, depreciation on the Rand exchange rate, possible downgrade of the credit rating by the rating agencies, and low investors or business and consumer confidence.
- (b) As the economy is not growing, there is a possibility of increase in the cost of borrowings due to the possible downgrade of the credit rating, job losses and dwindling of revenue generation and collection capacity by all spheres of governments.
- (c) The spending or expenditure would require to be rationalise and reprioritise to ensure funds are allocated to high priority programmes and the principle of doing more with less resources will need to be adopted to ensure the municipality is able to carry its mandate effectively during this turbulent economic environment.
- (d) The country is faced with drought situation which requires attention.
- (e) The municipality will amalgamate with uMjindi local municipality after the 2016 local government elections which creates a challenge from a planning and budgeting perspective and fact that the election date has not been declared. The recommended IDP and budget process in accordance with MFMA Circular 79 is as follows
 - (i) The individual municipality are required to prepare and adopt their IDPs and budgets and the consolidation of the budget of the new municipality must be done by the Change Management Committee established in terms of the Section 14 Notice by published by the MEC for Co-operative Governance and Traditional Affairs.
 - (ii) The current councils of the municipalities should jointly consider and adopt the IDP and budget for the new municipality.
 - (iii) The new municipal council will adopt the IDP and budget as soon as it is constituted.
- (f) The municipality is required to comply with the municipal Standard Chart of Accounts Regulations (MSCOA) on 01 July 2017.
- (g) The municipality is still faced with a constrained cash flow situation coupled with a weak liquidity position resulting in not able to service its obligation and commitments promptly.
- (h) The municipality is encountering substantial losses on revenue on property rates, services charges such as electricity, water and refuse removal and this is a result of operational and administrative inefficiencies.
- (i) The provision of basic municipal services to all households still remains a challenge due to lack of social infrastructure.

The turnaround strategy adopted on 21 August 2014, under item A(3) by council addresses the institutional and service delivery challenges encountered by the municipality focusing in four areas, which are;

(a) **Financial Management** – *comprising of matters of revenue enhancement, cost curtailment, fleet management, supply chain management and clean audit roadmap.*

(b) **Service Delivery** – *comprising of acceleration of spending on capital projects, water supply interventions, waste management and cleanliness, repairs and maintenance of the municipal infrastructure.*

(c) **Governance and Institutional Development** – *comprising of filling of critical vacant positions, risk management, performance monitoring and evaluation, internal audit, system of delegations of powers and functions, ICT governance etc.*

(d) **Social and Economic Development** – *comprising of local economic development strategy, rural development, spatial planning, integrated human settlement etc.*

The aforementioned turnaround strategy key focus areas (pillars) are given effect by the following budget objectives over the medium-term;

- (a) To improve the adherence to governance and institutional development framework
- (b) To improve financial performance and sustainability over the long term;
- (c) To ensure the citizens of the municipality are provided with acceptable levels of services;
- (d) To maintain the existing assets and infrastructure base by ensuring adequate repairs and maintenance is undertaken;
- (e) To achieve a clean audit outcome.
- (f) To enable local economic development initiatives and sustainable employment creation.

The municipality has started addressing the challenges that have been affecting the performance of the municipality in 2014/2015 financial year and in the current financial year (2015/2016) with the implementation of the turnaround strategy. The preparation of the 2016/2017 draft budget takes cognizance of the fact that the municipality is still in the midst of the implementation of the turnaround strategy.

The 2016/2017 – 2018/2019 draft budget and medium-term revenue and expenditure framework was prepared based on the fundamentals of the municipal developmental priorities contained on the Integrated Developmental Plan. The following are the municipal development priorities which the budget has responded to in terms of prioritisation and allocation of funds and resources;

- (a) Water supply;
- (b) Road infrastructure development and storm water;
- (c) Electricity supply and management;
- (d) Integrated human settlement;
- (e) Good governance and public participation;
- (f) Sanitation;
- (g) Community development;
- (h) Rural development;
- (i) Economic development;
- (j) Waste and environment management;
- (k) Financial management and viability;
- (l) Public transport;
- (m) Revenue enhancement; and

(n) 2010 legacy.

1.3.1 National priorities

National priorities- Expanding public sector investment infrastructure

The key priorities in the local government and housing function are the provision of basic services such as water and sanitation, human settlements development and local government infrastructure.

In addition, creating decent employment opportunities remains a national priority and the municipality need to continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Program (EPWP).

1.3.2 Micro environment factors – economic outlook

From a macro environment perspective, the economic performance over the medium-term looks bleak as a slow economic growth trends has been forecasted and the reflections of this unfavourable economic growth condition will impact negatively on all spheres of government. The revenue base of the municipality will be under pressure as no new revenues will be derived at the moment due to the slow economic growth and local circumstances.

As the economy is not growing, there is a possibility of increase in the cost of borrowings due to the possible downgrade of the credit rating, job losses and dwindling of revenue generation and collection capacity by all spheres of governments therefore a conservative approach will need to be adopted when projections are made for expected revenues cash receipts in the next medium-term.

On the expenditure side - careful analysis and evaluation of the current spending patterns need to be conducted so that the allocation of funds in the next medium-term is in line with the key municipal priorities and non-priority spending is eliminated (austerity measures need to be implemented).

The South African economic growth outlook measured in terms of real Gross Domestic Product (GDP) in 2015 to 2019 is expected to be as follows;

Description	2015 Actual	2016 Actual	2017 Estimate	2018 Forecast	2019 Forecast
Real GDP	1.5%	0.9%	1.2%	1.9%	2.5%

The consumer price index is expected to break the 3 to 6 per cent inflation band target set by the South African Reserve Bank over the medium-term. The national economic growth will be under pressure and as the economy will be growing on an average of 1.9 per cent over the medium-term which is far less than the annual national economic growth target of 5 to 7 per cent set by the National Development Plan. The slow economic growth impacts negatively on the reduction of poverty, inequality and unemployment.

The forecasted headline inflation for medium-term will be as follows;

Description	2015 Actual	2016 Actual	2017 Estimate	2018 Forecast	2019 Forecast
Inflation Outlook	5.6%	5.5%	6.6%	6.2%	5.9%

1.3.3 Revenue enhancement assumptions

The municipality has recently appointed a service provider to assist in developing an appropriate cost reflective structure on water and sanitation, refuse removal, and electricity tariffs to phase in the necessary tariff increase in a manner that will spread the impact on consumer over a period of time as prescribed in MFMA Circular 58.

(a) Grants allocations

The 2016 Division of Revenue Bill grants allocation is based on the new municipal boundaries because of the eminent amalgamation of our municipality and uMjindi Local Municipality. For the purpose of preparing the budget of our municipality as it will continue to exist until the local government elections held, the National Treasury has recommended a formula to be utilized to split the grants allocation between the two municipalities.

The total grants allocated to the municipality in terms of the 2016 Division of Revenue Bill (DoRB) amounts R3 606 billion over the medium-term, reflecting an increase of R463 million (15 percent) and the total allocation for 2016/2017 budget year is R 1 118 million. The table below provides details regarding the 2016/2017 grants allocation over the medium.

The table below provides details regarding the 2016/2017 grants allocation over the medium.

MBOMBELA LOCAL MUNICIPALITY GRANT	Estimate 2015/2016	Estimate 2016/2017	Forecast 2017/2018	Forecast 2018/2019
OPERATING GRANT	19%	9%	8%	6%
Equitable Share	R 462,073,000	R 503,877,000	R 544,750,000	R 599,347,000
Municipal Systems Improvement Grant (MSIG)	R 930,000			
Financial Management Grant (FMG)	R 1,600,000	R 1,625,000	R 1,700,000	R 1,828,000
Expanded Public Works Programme	R 6,899,000	R 4,707,000		
Water Service Operating Grant				
TOTAL OPERATIONAL ALLOCATION	R 471,502,000	R 510,209,000	R 546,450,000	R 601,175,000
Growth (%)	19%	9%	8%	6%
CAPITAL GRANTS				
Municipal Infrastructure Grant (MIG)	R 298,264,000	R 300,134,000	R 314,927,000	R 334,164,000
Municipal Water Infrastructure Grant (MWIG)	R 55,000,000			
Water Services Infrastructure Grant		R 52,378,000	R 70,572,000	R 85,351,000
Neighbourhood Development Partnership Grant	R 65,829,000	R 48,637,000	R 57,782,000	R 47,110,000
Public Transport Infrastructure and Systems Grant	R 116,540,000	R 200,058,000	R 200,014,000	R 215,023,000
Water Service Operating Subsidy Grant	R 20,000,000			
Integrated National Electrification Programme	R -	R 6,722,000	R 6,111,000	R 9,167,000
2010 Host City Operating Grant	R -	R -		
2010 World Cup Stadium	R -	R -		
Electricity Demand Side Management	R -	R -		
TOTAL CAPITAL ALLOCATION	R 555,633,000	R 607,929,000	R 649,406,000	R 690,815,000
Growth (%)	9%	9%	7%	6%
TOTAL ALLOCATION	1,027,135,000	1,118,138,000	1,195,856,000	1,291,990,000
Growth (%)	13%	9%	7%	8%

(b) Revising of rates, tariffs and other charges

The revision of the rates, tariffs and other charges for the 2016/2017 budgets and MTREF should take into account the labour (i.e. the wage agreements with unions) and other input costs of services provided by the municipality, the need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigent policy.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality.

To ensure the municipality continue to efficiently deliver services, eradicate backlogs in term of services and social infrastructure, maintain, upgrade and renewal of the existing infrastructure as well as ensuring financial stability and long-term sustainability, the increase of rates, tariffs and other charges over the medium-term is proposed to be as follows;

Rates and Services Charges Tariffs Increase	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Property Rates	6,50%	0,00%	6,00%	6,60%	6,20%	5,90%
Electricity	6,41%	8,06%	12,20%	7,64%	8,96%	8,90%
Water	8,00%	8,50%	38,00%	37,00%	35,00%	35,00%
Refuse Removal	9,50%	10,00%	8,00%	7,88%	8,22%	8,55%
Sewerage	8,00%	8,50%	-18,00%	-18,00%	-18,00%	-10,00%
Concession Area - Water and Sanitation				11,82%	12,52%	12,85%
Sundry charges tariffs and fees Increase %	12,00%	12,00%	12,00%	12,00%	12,00%	12,00%

The above table reflects that the average increase on rates and service charge tariffs for 2016/2017 in the municipality serviced areas will be 7.88 per cent and 8.55 per cent over the medium-term.

Sembcorp tariffs increase is determined in accordance with tariff model stipulated on the Service Agreement Three (4) which takes the current consumer price indexes (CPI) per commodity plus a margin of 4,3 percent and other economic factors into account.

The municipality should ensure the revision of its electricity tariffs is in line with the National Energy Regulator of South Africa (NERSA) guidelines of 7,64 per cent increase in 2016/2017. In ensuring the municipal tariffs and fees for services are cost reflective, the following processes will be conducted by the municipality;

- (a) The water and sanitation tariffs and fees which are cost-reflective (A new water and sanitation cost structure based on the activity based costing system) has been implemented in 2015/2016 and tariff increase in accordance with the model will be an average of 35,7 per cent over the medium-term and decrease in sanitation tariffs by an average of 15,3 per cent over the medium term.
- (b) The electricity cost structure will be reviewed utilising the activity based costing system and the revised cost structure and cost reflective tariffs will be implemented in 2017/2018.
- (c) The cost modelling of the solid waste services has been finalised in January 2016 however the revision of the tariffs to be cost reflective has not been done as there has some huge administrative and operational inefficiencies discovered during the remodelling process resulting in approximately revenue of R35 million been lost from 15 000 households not billed for refuse removal services and operation of the Tekwane West Landfill Site, therefore the implementation of cost reflective tariffs for the refuse removal is recommended to be deferred to 2017/2018 financial year.

(d) The ability of municipality to collect revenue (payment levels)

The payment level trends for the past three years and the forecast for the next mid-term, including current financial year estimate is as follows;

Payment Levels	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Collection on current accounts - Rates and Services charges	93%	95%	95%	92%	94%	94%

The collection rate in 2016/2017 is expected to drop by 3 percent due to the current economic situation and it will then pick up in the outer two years as the economic conditions improved.

1.3.4 Operating expenditure guidelines and assumptions

The operating expenditure will increase by an average of 6,20 percent in 2016/2017, 6,39 percent in 2017/2018 and 6,21 percent in 2018/2019 with an exception of the key cost or expenditure drivers stated on the table below;

Operating Expenditure:	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Employees Related Cost	6,80%	6,00%	7,00%	6,00%	7,20%	6,90%
Employees Related Cost - Critical Positions				1,00%	1,00%	1,00%
Councillors Remuneration	5,80%	6,00%	6,00%	6,60%	6,20%	5,90%
Contracted Services	6,08%	5,88%	5,68%	5,48%	5,28%	5,08%
Bulk Purchases: Electricity	8,06%	14,24%	14,24%	7,86%	9,70%	9,70%
Bulk Purchases: Water	8,10%	7,90%	7,70%	7,50%	7,30%	7,10%
Other Materials	8,24%	8,04%	7,84%	7,64%	7,44%	7,24%
Transfers and Grants	7,48%	7,28%	7,08%	6,88%	6,68%	6,48%
Other Expenditure	7,48%	7,28%	7,08%	6,88%	6,68%	6,48%
Average Increase %	7,26%	7,83%	7,83%	6,20%	6,39%	6,21%

1.3.5 Capital budget over the medium - term

The funding of the capital expenditure will be sourced from conditional grants allocations, external loans (borrowings) and internal reserves. No new external loans (borrowings) will be sourced during the medium-term.

1.3.6 Provision of free basic services provision to the indigent households

The Indigent Policy of the municipality as approved by Council in 2003 is in line with the National Policy on provision of Free Basic Services with its objective of providing free access to basic services to the poor and enhancing the fight against poverty. This policy is being reviewed to be in line with the requirements proposed by the National Department of Cooperative Governance and Traditional Affairs on an annual basis

The following assumptions were also taken into consideration towards the provision of free basic services;

- (a) Reducing the impact of poverty through free basic service provision;
- (b) Protecting the poor from the harsh economic realities;

The municipality will be offering the following free basic services:

Free Basic Water	6kl per month
Free Basic Electricity	50kW per month
Free Basic refuse removal	100 % subsidy on tariff
Rebate on property rates	Rebates ranging from 25% to 100% and first R80 000.00 market value being 100% exempted from rates.
Free Basic Sewer	6kl per month

1.3.7 Other considerations

The General Managers' Forum has during January 2016 established a Revenue Enhancement Task Team which comprises of the Chief Financial Officer and General Managers for Infrastructure Development, Water and Sanitation, Community Services and City Planning and Development.

The task team was established with a purpose of diagnosing revenue enhancement risks and developing a revenue enhancement programme with clear roles and responsibilities, key performance indicators and targets to mitigate those identified revenue enhancement risks, which are

- (a) Low or no purchase of prepayment electricity by customers due tampering and faulty meters
- (b) Faulty of power and load factors in electricity sub-station and distribution networks
- (c) Faulty and tampered conventional water and electricity meters
- (d) Substantial water losses at water treatment works and distribution networks
- (e) By-passing of electricity meters by electrical division employees (Electrician)
- (f) Unsuitability of Unique Umbane electricity meters installed in Valencia Park.
- (g) Outdated municipal by-laws.
- (h) Inadequate traffic fines collection mechanisms
- (i) Inadequate meter reading services
- (j) Legally occupied properties not billed for solid waste services.
- (k) Inadequate internal controls on the billing system – compromising the integrity of the municipal accounts
- (l) Property rates not levied due to incorrect registration of the properties in the name of the municipality in the deeds office.
- (m) Government properties not listed on the general valuation roll located in the state trust and communal land.

The detailed revenue enhancement programme is hereto attached as **Annexure 28/2016** for consideration.

1.4 OPERATING REVENUE FRAMEWORK

For Mbombela Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure a 92 per cent annual collection rate for property rates and other key service charges such as electricity, water, sewerage and refuse removal services;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2016/2017 annual budget and MTREF – Revenue classified by main source:

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source										
Property rates	274 262	290 608	335 674	374 063	374 063	374 063	374 063	408 085	433 386	460 256
Service charges - electricity revenue	536 399	600 817	665 203	765 628	765 628	765 628	808 524	864 397	933 549	1 008 233
Service charges - water revenue	24 667	27 482	30 319	42 890	42 890	42 890	130 249	58 759	79 324	107 088
Service charges - sanitation revenue	15 134	15 874	18 846	16 548	16 548	16 548	16 548	13 570	11 127	9 124
Service charges - refuse revenue	59 029	65 066	72 450	78 870	78 870	78 870	107 025	85 935	92 997	100 946
Rental of facilities and equipment	18 266	18 592	22 516	28 061	24 494	24 494	24 494	27 434	30 726	34 413
Interest earned - external investments			7 935	9 475	8 341	8 341	8 341	9 342	10 463	11 718
Interest earned - outstanding debtors	18 278	26 495	8 832	8 447	10 438	10 438	10 438	11 690	13 093	14 664
Fines	16 685	15 327	23 597	15 811	24 514	24 514	24 514	27 455	30 750	34 440
Licences and permits	21	4	1	2	2 533	2 533	2 533	2 837	3 177	3 558
Agency services	24 835	28 456	30 593	164 589	146 675	146 675	146 675	171 513	197 155	226 633
Transfers recognised - operational	382 171	359 287	432 816	574 714	573 838	573 838	573 838	624 125	692 665	779 097
Other revenue	137 889	87 845	106 920	73 964	73 964	73 964	73 964	65 570	70 343	77 488
Gains on disposal of PPE	–	1 816	1 731	4 390	4 390	4 390	4 390	–	–	–
Total Revenue (excluding capital transfers and contributions)	1 507 635	1 537 671	1 757 432	2 157 452	2 147 187	2 147 187	2 305 598	2 370 712	2 598 755	2 867 658

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The municipality will receive significant portion of its revenue from service charge (electricity, water, sewerage and refuse removal services) amounting to R 1 023 billion indicating an increase of R 119 million nine (13 percent) in 2016/2017 financial year and increases to R1 225 billion over the medium-term. The revenue from service charge makes up 43 percent of the operating revenue budget.

The revenue from property rates will amount to R408 million after taking into account income forgone due to rates rebates in terms of the rates policy amounting to R180 million in 2016/2017 financial year and increases to R460 million over the medium-term. The property rates revenue contributes about 17 percent of the total operating revenue budget.

Operating grants allocation comprising of equitable share and other small grants contributes 26 percent to the total operating revenue budget and will amount to R 624 million in 2016/2017 financial year and increases to R779 million over the medium-term.

The other revenue amounts to R316 million indicating an increase of R11 million (4 percent). The other revenue comprise of revenue from agency fees of R174 million, interest from outstanding debtors and investments of R21 million, rental of municipal properties and facilities of R27 million and sundry income of R66 million. The other revenue contributes about 13 percent of the total operating revenue budget.

The following table gives a breakdown of the various operating and capital grants and subsidies allocations to the municipality over the medium term:

MP322 Mbombela - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		357,061	354,325	397,237	471,502	471,502	471,502	510,209	546,450	601,175
Local Government Equitable Share		312,298	342,190	388,663	462,073	462,073	462,073	503,877	544,750	599,347
Finance Management		1,500	1,550	1,600	1,600	1,600	1,600	1,625	1,700	1,828
Municipal Systems Improvement		800	890	934	930	930	930			
EPWP Incentive		2,954	1,695	6,040	6,899	6,899	6,899	4,707		
Integrated National Electrification Programme		-	8,000	-	-	-	-			
Water Services Operating Subsidy		3,009	-	-	-	-	-			
Other transfers/grants [EEDSM / AFCON 2013]		36,500	-	-	-	-	-			
Provincial Government:		1,000	0	0	-	-	-	-	-	-
Housing		1,000	-	-	-	-	-			
		0	0	0	-	-	-			
Mbombela Taxi Disaster										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	358,061	354,325	397,237	471,502	471,502	471,502	510,209	546,450	601,175
Capital Transfers and Grants										
National Government:		293,265	381,766	511,234	555,633	555,633	555,633	607,929	649,406	690,815
Municipal Infrastructure Grant (MIG)		188,062	241,164	286,043	298,264	298,264	298,264	300,134	314,927	334,164
Public Transport and Systems		98,703	123,762	195,191	116,540	116,540	116,540	200,058	200,014	215,023
Neighbourhood Development Partnership		-	-	5,000	65,829	65,829	65,829	48,637	57,782	47,110
		-	7,660	-	-	-	-			
		-	-	-	-	-	-			
Other capital transfers/grants [WSOG] & INEP, M		6,500	9,180	25,000	75,000	75,000	75,000	59,100	76,683	94,518
Provincial Government:		-	-	80,000	-	-	-	-	-	-
Other capital transfers/grants [Human Settlement]			-	80,000						
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		16	1	1	-	-	-	-	-	-
LOTTERY/AFCON		16	1	1						
EEDSM										
Total Capital Transfers and Grants	5	293,281	381,767	591,235	555,633	555,633	555,633	607,929	649,406	690,815
TOTAL RECEIPTS OF TRANSFERS & GRANTS		651,342	736,092	988,472	1,027,135	1,027,135	1,027,135	1,118,138	1,195,856	1,291,990

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, wage agreements with unions (Labour), input costs of services provided by the municipality, local economic conditions and the affordability of services taking into consideration the municipality's indigent policy were taken into consideration.

The percentage increases of both Eskom and SembCorp (Silulumanzi) Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

MP322 Mbombela - Supporting Table SA14 Household bills

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		268.77	286.29	286.29	303.47	303.47	303.47	6.6%	323.50	343.55	363.82
Electricity : Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity : Consumption		1,043.50	1,114.87	1,218.85	1,365.11	1,365.11	1,365.11	7.6%	1,469.41	1,601.07	1,743.56
Water: Basic levy		56.55	61.07	66.26	72.89	72.89	72.89	37.0%	99.86	134.80	181.99
Water: Consumption		263.52	284.64	308.83	339.72	339.72	339.72	37.0%	465.41	628.31	848.22
Sanitation		241.20	260.40	282.53	182.86	182.86	182.86	(18.0%)	149.95	122.96	110.66
Refuse removal		117.97	128.19	141.01	152.29	152.29	152.29	7.9%	164.32	177.83	193.03
Other		—	—	—	—	—	—	—	—	—	—
sub-total		1,991.51	2,135.46	2,303.78	2,416.33	2,416.33	2,416.33	10.6%	2,672.44	3,008.51	3,441.28
VAT on Services		—	—	—	—	—	—	—	—	—	—
Total large household bill:		1,991.51	2,135.46	2,303.78	2,416.33	2,416.33	2,416.33	10.6%	2,672.44	3,008.51	3,441.28
% increase/decrease			7.2%	7.9%	4.9%	—	—		10.6%	12.6%	14.4%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		182.07	193.94	193.94	205.58	205.58	205.58	6.6%	219.14	232.73	246.46
Electricity : Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity : Consumption		444.50	473.86	526.17	590.36	590.36	590.36	7.6%	635.47	692.40	754.03
Water: Basic levy		56.55	61.07	66.26	72.89	72.89	72.89	37.0%	99.86	134.80	181.99
Water: Consumption		208.62	225.34	244.49	268.94	268.94	268.94	37.0%	368.45	497.41	671.50
Sanitation		190.95	206.15	223.67	182.86	182.86	182.86	(18.0%)	149.95	122.96	110.66
Refuse removal		78.39	85.84	94.42	101.98	101.98	101.98	7.9%	110.03	119.08	129.26
Other		—	—	—	—	—	—	—	—	—	—
sub-total		1,161.08	1,246.20	1,348.96	1,422.61	1,422.61	1,422.61	11.3%	1,582.90	1,799.38	2,093.90
VAT on Services		—	—	—	—	—	—	—	—	—	—
Total small household bill:		1,161.08	1,246.20	1,348.96	1,422.61	1,422.61	1,422.61	11.3%	1,582.90	1,799.38	2,093.90
% increase/decrease			7.3%	8.2%	5.5%	—	—		11.3%	13.7%	16.4%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		—	—	—	—	—	—	—	—	—	—
Electricity : Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity : Consumption		—	—	—	—	—	—	—	—	—	—
Water: Basic levy		—	—	—	—	—	—	—	—	—	—
Water: Consumption		—	—	—	—	—	—	—	—	—	—
Sanitation		—	—	—	—	—	—	—	—	—	—
Refuse removal		—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
sub-total		—	—	—	—	—	—	—	—	—	—
VAT on Services		—	—	—	—	—	—	—	—	—	—
Total small household bill:		—	—	—	—	—	—	—	—	—	—
% increase/decrease			—	—	—	—	—		—	—	—

1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2016/2017 budget and MTREF is informed by the following:

Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserved to fund any deficit;

- (a) Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- (b) The capital program is aligned to the IDP priorities;
- (c) Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- (d) Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2016/2017 budget and MTREF (classified per main type of operating expenditure):

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure By Type										
Employee related costs	418 218	459 897	520 903	546 092	543 953	543 953	543 953	582 030	629 756	679 507
Remuneration of councillors	20 925	25 892	27 887	29 411	29 510	29 510	29 510	31 457	33 408	35 379
Debt impairment	81 140	48 539	88 515	74 574	79 311	79 311	79 311	119 521	101 371	110 769
Depreciation & asset impairment	240 802	217 955	225 835	191 056	226 375	226 375	226 375	249 592	259 575	269 958
Finance charges	46 639	52 684	58 088	54 340	54 340	54 340	54 340	45 964	43 612	41 309
Bulk purchases	419 565	437 831	480 295	527 570	526 615	526 615	526 615	583 487	638 952	699 612
Other materials	-	-	-	49 561	47 363	47 363	47 363	50 982	54 775	58 741
Contracted services	206 545	244 594	331 595	334 054	389 759	389 759	389 759	378 002	386 004	405 593
Transfers and grants	25 874	23 707	26 833	150 239	158 411	158 411	158 411	159 048	169 678	180 678
Other expenditure	334 844	336 602	354 923	224 647	229 222	229 222	229 222	229 606	237 603	253 008
Loss on disposal of PPE	1 001	-	-	-	-	-	-	-	-	-
Total Expenditure	1 795 551	1 847 700	2 114 874	2 181 545	2 284 859	2 284 859	2 284 859	2 429 690	2 554 734	2 734 554

- (a) The employees' remuneration cost will amount to R582 million in 2016/2017 financial year due to an annual increase of 6 percent million and 1 percent is allocated for filling of critical vacant positions. The employee cost to the total operating expenditure budget is 24 percent. The employees remuneration cost will increase to R680 million in 2018/2019 financial year and the expenditure to the total operating budget will be 25 percent.
- (b) The bulk purchase expenditure is mainly expenditure for bulk electricity purchase from Eskom and bulk water purchase and will increase to R583 million due to an average increase of 7,86 percent granted to Eskom by the National Energy Regulator of South Africa, the increase will come into effect from 01 July 2016 and bulk water increase of 7,5 percent The bulk purchase expenditure make up 24 per cent of the total operating expenditure budget.
- (c) The depreciation cost will be R250 million make up 10 percent of the total operating expenditure and is about 4 percent of the total assets carrying value of R5 955 billion. The depreciation costs represent

the rate at which the assets of the municipality are utilized in rendering services and therefore the cost should be provided for/included on the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade and renewal of the assets.

- (d) The cost curtailment measures has been applied in line with the National Government directives on contracted and other expenditure. The cost curtailment will result in reprioritisation and reduction of the expenditure by R85 million (15 per cent) over the medium-term. The contracted services and expenditure will decrease by R12 million to R608 million in 2016/2017 and make up 25 per cent of the total operating expenditure budget.
- (e) Included on the contracted services, other expenditure, and transfers and grants expenditure items is IDP operating projects amounting to R212 million in 2016/2017 financial year and increases to R224 million in 2018/2019 financial year. The breakdown of the total expenditure for operating projects per municipal development priorities is as tabulated below, detailed list of operating projects is attached as **Annexure 29/2016**;

2016/2017 DRAFT OPERATING PROJECTS - SUMMARY PER DEPARTMENT				
DEPARTMENT	MUNICIPAL PRIORITY	2016/2017 BUDGET ESTIMATE	2017/2018 BUDGET FORECAST	2018/2019 BUDGET FORECAST
City Planning and Development	Economic Development	R 4,953,438	R 4,981,080	R 5,292,145
	Integrated Human Settlement	R 1,300,000	R 500,000	R -
	Revenue Enhancement	R 8,750,000	R 10,691,000	R 12,008,460
City Planning and Development Total		R 15,003,438	R 16,172,080	R 17,300,605
Community Services	Community Development	R 19,748,000	R 13,506,000	R 12,489,360
	Waste Management	R 1,000,000	R 530,000	R 561,800
Community Services Total		R 20,748,000	R 14,036,000	R 13,051,160
Corporate Services	Good Governance and Institutional Development	R 27,650,000	R 29,472,000	R 30,484,320
Corporate Services Total		R 27,650,000	R 29,472,000	R 30,484,320
Council	Good Governance and Institutional Development	R 10,800,000	R 11,448,000	R 12,134,880
Council Total		R 10,800,000	R 11,448,000	R 12,134,880
Deputy Municipal Manager	Good Governance and Institutional Development	R 4,743,780	R 6,380,000	R 6,505,400
	Waste and Environment Management	R 10,342,752	R 2,600,000	R 1,500,000
Deputy Municipal Manager Total		R 15,086,532	R 8,980,000	R 8,005,400
Financial Services	Financial Management	R 12,600,000	R 11,736,000	R 12,889,920
	Revenue Enhancement	R 5,105,263	R 6,821,579	R 7,050,874
Financial Services Total		R 17,705,263	R 18,557,579	R 19,940,794
Infrastructure Development	Electricity Supply	R 2,239,409	R 4,000,000	R -
	Good Governance and Institutional Development	R 20,455,197	R 21,703,224	R -
	Revenue Enhancement	R 4,259,585	R 4,000,000	R -
	Roads and Stormwater	R 14,220,000	R 17,900,000	R 18,900,000
Infrastructure Development Total		R 41,174,191	R 47,603,224	R 18,900,000
Municipal Manager	Community Development	R 1,500,000	R 20,109,298	R 45,982,593
	Good Governance and Institutional Development	R 17,318,759	R 6,059,267	R 1,000,000
	Public Transport	R 26,094,737	R 34,131,579	R 34,131,579
Municipal Manager Total		R 44,913,496	R 60,300,144	R 81,114,172
Office of the Chief Whip	Good Governance and Institutional Development	R 1,300,000	R 1,900,000	R 1,900,000
Office of the Chief Whip Total		R 1,300,000	R 1,900,000	R 1,900,000
Strategic Planning and Executive Support	Good Governance and Institutional Development	R 8,600,000	R 10,360,000	R 10,306,200
Strategic Planning and Executive Support Total		R 8,600,000	R 10,360,000	R 10,306,200
Water and Sanitation	Revenue Enhancement	R 4,159,585	R 4,467,221	R 4,794,864
	Sanitation	R -	R 1,000,000	R 500,000
	Water & Sanitation	R 3,553,600	R 1,226,334	R 894,321
	Water Supply	R 1,572,843	R 3,150,000	R 4,376,334
Water and Sanitation Total		R 9,286,028	R 9,843,555	R 10,565,519
GRAND TOTAL		R 212,266,948	R 228,672,582	R 223,703,050

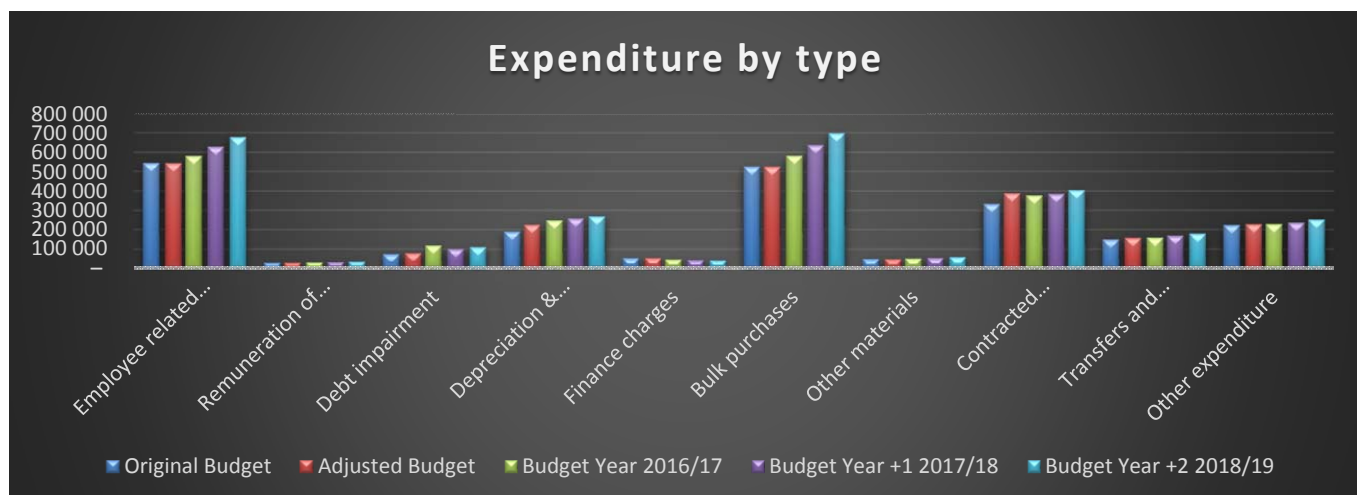
- (f) The municipality has allocated an amount of R159 million in the 2016/2017 financial year for provision of free basic services. The following free basic services will be provided in accordance with the criteria set on the indigent policy of the municipality and the table indicates the detailed breakdown of the free basic services.

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MP322 Mbombela - Table A10 Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
Water:										
Piped water inside dwelling		60,003	61,803	63,657	66,840	66,840	66,840	70,182	73,691	77,376
Piped water inside yard (but not in dwelling)		45,285	46,644	48,043	50,445	50,445	50,445	52,967	55,616	58,396
Using public tap (at least min.service level)	2	35,581	36,648	37,748	39,635	39,635	39,635	41,617	43,698	45,883
Other water supply (at least min.service level)	4	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		140,869	145,095	149,448	156,920	156,920	156,920	164,766	173,005	181,655
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	20,864	21,490	22,135	23,241	23,241	23,241	24,403	25,624	26,905
No water supply		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		20,864	21,490	22,135	23,241	23,241	23,241	24,403	25,624	26,905
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		45,285	46,644	48,043	50,445	50,445	50,445	52,967	55,616	58,396
Flush toilet (with septic tank)		6,469	6,663	6,863	7,206	7,206	7,206	7,566	7,945	8,342
Chemical toilet		3,235	3,332	3,432	3,604	3,604	3,604	3,784	3,973	4,172
Pit toilet (ventilated)		21,025	21,656	22,305	23,421	23,421	23,421	24,592	25,821	27,112
Other toilet provisions (> min.service level)		71,163	73,298	75,497	79,272	79,272	79,272	83,235	87,397	91,767
<i>Minimum Service Level and Above sub-total</i>		147,177	151,592	156,140	163,947	163,947	163,947	172,144	180,752	189,789
Bucket toilet		—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		14,556	14,993	15,442	16,215	16,215	16,215	17,025	17,877	18,770
No toilet provisions		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		14,556	14,993	15,442	16,215	16,215	16,215	17,025	17,877	18,770
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Energy:										
Electricity (at least min.service level)		145,560	149,927	154,425	162,146	162,146	162,146	170,253	178,766	187,704
Electricity - prepaid (min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		145,560	149,927	154,425	162,146	162,146	162,146	170,253	178,766	187,704
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		16,173	16,658	17,158	18,016	18,016	18,016	18,917	19,862	20,856
<i>Below Minimum Service Level sub-total</i>		16,173	16,658	17,158	18,016	18,016	18,016	18,917	19,862	20,856
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Refuse:										
Removed at least once a week		46,903	48,310	49,759	52,247	52,247	52,247	54,860	57,603	60,483
<i>Minimum Service Level and Above sub-total</i>		46,903	48,310	49,759	52,247	52,247	52,247	54,860	57,603	60,483
Removed less frequently than once a week		1,617	1,666	1,715	1,801	1,801	1,801	1,891	1,986	2,085
Using communal refuse dump		3,235	3,332	3,432	3,604	3,604	3,604	3,784	3,973	4,172
Using own refuse dump		97,040	99,951	102,950	108,097	108,097	108,097	113,502	119,177	125,136
Other rubbish disposal		11,321	11,661	12,010	12,611	12,611	12,611	13,242	13,904	14,599
No rubbish disposal		1,617	1,666	1,715	1,801	1,801	1,801	1,891	1,986	2,085
<i>Below Minimum Service Level sub-total</i>		114,830	118,275	121,823	127,914	127,914	127,914	134,310	141,026	148,077
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733
Sanitation (free minimum level service)		161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733
Electricity/other energy (50kwh per household per month)		10,215	10,419	13,446	12,178	12,178	12,178	14,950	14,950	14,950
Refuse (removed at least once a week)		10,215	10,419	13,446	12,178	12,178	12,178	14,950	14,950	14,950
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		39,323	40,109	79,554	87,360	87,360	87,360	89,981	91,780	94,534
Sanitation (free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)		9,271	9,457	36,030	42,896	42,896	42,896	45,041	45,941	46,860
Refuse (removed once a week for indigent households)		1,010	3,067	3,067	19,983	28,156	28,156	24,027	31,956	39,285
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		—	—	—	—	—	—	—	—	—
Total cost of FBS provided		49,604	52,633	118,651	150,239	158,411	158,411	159,048	169,678	180,678
Highest level of free service provided per household										
Property rates (R value threshold)		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		—	—	—	—	—	—	—	—	—
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		—	—	—	—	—	—	—	—	—
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		—	—	—	—	—	—	—	—	—
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		127,692	134,785	158,074	168,448	168,448	168,448	180,562	191,757	203,646
Water (in excess of 6 kilolitres per indigent household per month)		10,673	11,528	12,510	12,510	12,510	12,510	17,138	23,137	31,234
Sanitation (in excess of free sanitation service to indigent households)		10,673	11,528	12,510	12,510	12,510	12,510	10,258	8,411	7,570
Electricity/other energy (in excess of 50 kwh per indigent household per month)		2,733	2,982	4,159	5,916	5,916	5,916	7,946	8,582	9,268
Refuse (in excess of one removal a week for indigent households)		—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided	6	151,770	160,823	187,252	199,384	199,384	199,384	215,904	231,887	251,719

The following graph gives a breakdown of the main expenditure categories for the 2016/2017 financial year as a percentage:



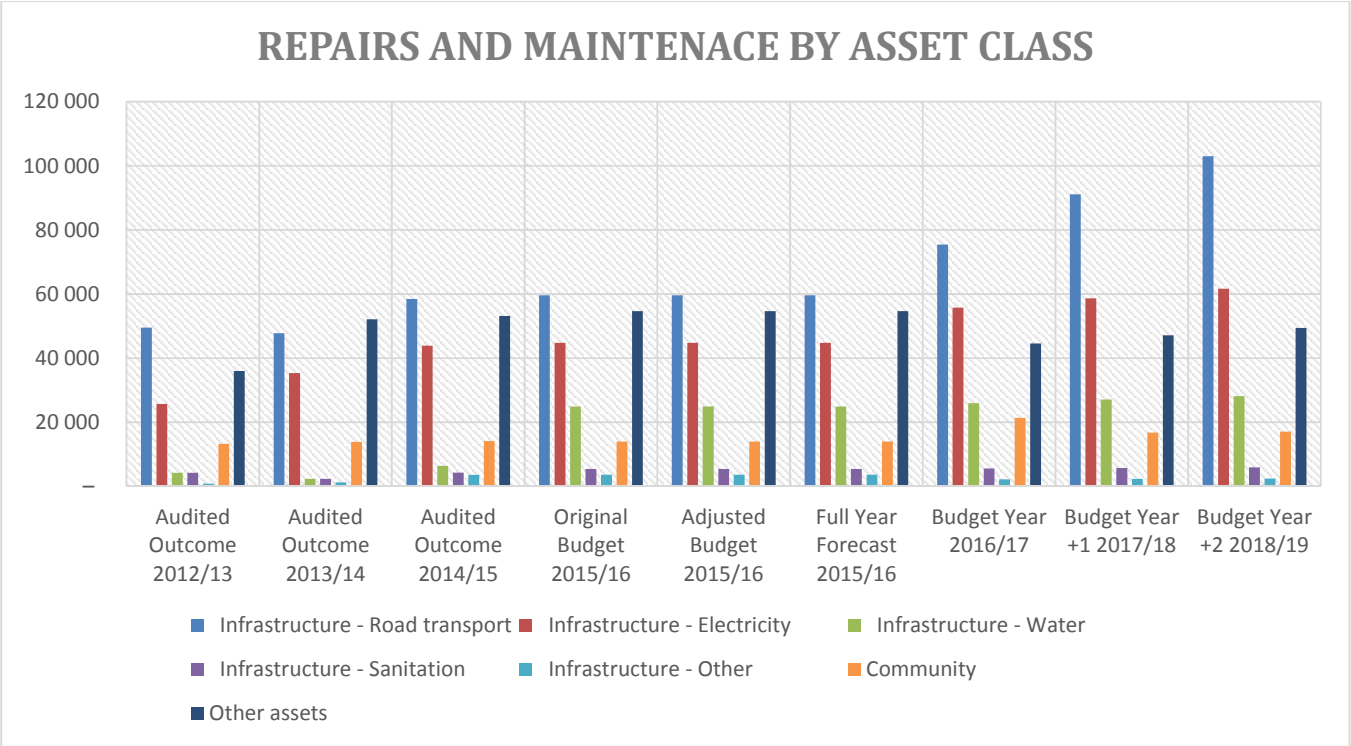
During the compilation of the 2016/2017 MTREF, operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the Municipality's infrastructure and historic deferred maintenance. To this end, the municipality is still having a challenge in separating the portion of employee related cost for repairs and maintenance; as a result this allocation is part of the overall employee related cost for council.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE OTHER ITEMS									
<u>Depreciation & asset impairment</u>	240 802	221 993	225 835	191 056	226 375	226 375	249 592	259 575	269 958
<u>Repairs and Maintenance by Asset Class</u>	133 783	155 117	183 926	207 055	207 055	207 055	230 908	248 745	267 659
<i>Infrastructure - Road transport</i>	49 519	47 803	58 438	59 606	59 606	59 606	75 423	91 053	102 969
<i>Infrastructure - Electricity</i>	25 710	35 373	43 886	44 763	44 763	44 763	55 730	58 672	61 653
<i>Infrastructure - Water</i>	4 227	2 330	6 401	24 901	24 901	24 901	25 995	27 089	28 179
<i>Infrastructure - Sanitation</i>	4 227	2 330	4 286	5 450	5 450	5 450	5 614	5 771	5 921
<i>Infrastructure - Other</i>	847	1 299	3 603	3 675	3 675	3 675	2 211	2 328	2 446
Infrastructure	84 531	89 135	116 613	138 396	138 396	138 396	164 973	184 913	201 168
Community	13 271	13 878	14 140	13 999	13 999	13 999	21 377	16 742	17 067
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	35 981	52 104	53 173	54 661	54 661	54 661	44 558	47 089	49 424
TOTAL EXPENDITURE OTHER ITEMS	374 585	377 110	409 761	398 112	433 431	433 431	480 500	508 320	537 618

For the 2016/2017 financial year, 34 percent or (R165 million) of total repairs and maintenance by asset class will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling 16 percent (R75 million), followed by other assets by 12 percent (R56 million), Electricity at 9,27 percent (R45 million), Water at 5 percent (R14 million).

Below is the graphic illustration on repairs and maintenance by asset class;



Free basic services: basic social services package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 14 950 or more indigent households during the 2016/2017 financial year, a process reviewed annually. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement are contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Table A10 below reflects the cost of the social package and the revenue foregone due to the implementation of the indigent policy:

MP322 Mbombela - Table A10 Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
Water:										
Piped water inside dwelling		60,003	61,803	63,657	66,840	66,840	66,840	70,182	73,691	77,376
Piped water inside yard (but not in dwelling)		45,285	46,644	48,043	50,445	50,445	50,445	52,967	55,616	58,396
Using public tap (at least min.service level)	2	35,581	36,648	37,748	39,635	39,635	39,635	41,617	43,698	45,883
Other water supply (at least min.service level)	4	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		140,869	145,095	149,448	156,920	156,920	156,920	164,766	173,005	181,655
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	20,864	21,490	22,135	23,241	23,241	23,241	24,403	25,624	26,905
No water supply		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		20,864	21,490	22,135	23,241	23,241	23,241	24,403	25,624	26,905
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		45,285	46,644	48,043	50,445	50,445	50,445	52,967	55,616	58,396
Flush toilet (with septic tank)		6,469	6,663	6,863	7,206	7,206	7,206	7,566	7,945	8,342
Chemical toilet		3,235	3,332	3,432	3,604	3,604	3,604	3,784	3,973	4,172
Pit toilet (ventilated)		21,025	21,656	22,305	23,421	23,421	23,421	24,592	25,821	27,112
Other toilet provisions (> min.service level)		71,163	73,298	75,497	79,272	79,272	79,272	83,235	87,397	91,767
<i>Minimum Service Level and Above sub-total</i>		147,177	151,592	156,140	163,947	163,947	163,947	172,144	180,752	189,789
Bucket toilet		—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		14,556	14,993	15,442	16,215	16,215	16,215	17,025	17,877	18,770
No toilet provisions		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		14,556	14,993	15,442	16,215	16,215	16,215	17,025	17,877	18,770
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Energy:										
Electricity (at least min.service level)		145,560	149,927	154,425	162,146	162,146	162,146	170,253	178,766	187,704
Electricity - prepaid (min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		145,560	149,927	154,425	162,146	162,146	162,146	170,253	178,766	187,704
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		16,173	16,658	17,158	18,016	18,016	18,016	18,917	19,862	20,856
<i>Below Minimum Service Level sub-total</i>		16,173	16,658	17,158	18,016	18,016	18,016	18,917	19,862	20,856
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Refuse:										
Removed at least once a week		46,903	48,310	49,759	52,247	52,247	52,247	54,860	57,603	60,483
<i>Minimum Service Level and Above sub-total</i>		46,903	48,310	49,759	52,247	52,247	52,247	54,860	57,603	60,483
Removed less frequently than once a week		1,617	1,666	1,715	1,801	1,801	1,801	1,891	1,986	2,085
Using communal refuse dump		3,235	3,332	3,432	3,604	3,604	3,604	3,784	3,973	4,172
Using own refuse dump		97,040	99,951	102,950	108,097	108,097	108,097	113,502	119,177	125,136
Other rubbish disposal		11,321	11,661	12,010	12,611	12,611	12,611	13,242	13,904	14,599
No rubbish disposal		1,617	1,666	1,715	1,801	1,801	1,801	1,891	1,986	2,085
<i>Below Minimum Service Level sub-total</i>		114,830	118,275	121,823	127,914	127,914	127,914	134,310	141,026	148,077
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733
Sanitation (free minimum level service)		161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733
Electricity/other energy (50kwh per household per month)		10,215	10,419	13,446	12,178	12,178	12,178	14,950	14,950	14,950
Refuse (removed at least once a week)		10,215	10,419	13,446	12,178	12,178	12,178	14,950	14,950	14,950
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		39,323	40,109	79,554	87,360	87,360	87,360	89,981	91,780	94,534
Sanitation (free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)		9,271	9,457	36,030	42,896	42,896	42,896	45,041	45,941	46,860
Refuse (removed once a week for indigent households)		1,010	3,067	3,067	19,983	28,156	28,156	24,027	31,956	39,285
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		—	—	—	—	—	—	—	—	—
Total cost of FBS provided		49,604	52,633	118,651	150,239	158,411	158,411	159,048	169,678	180,678
Highest level of free service provided per household										
Property rates (R value threshold)		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		—	—	—	—	—	—	—	—	—
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		—	—	—	—	—	—	—	—	—
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		—	—	—	—	—	—	—	—	—
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		127,692	134,785	158,074	168,448	168,448	168,448	180,562	191,757	203,646
Water (in excess of 6 kilolitres per indigent household per month)		10,673	11,528	12,510	12,510	12,510	12,510	17,138	23,137	31,234
Sanitation (in excess of free sanitation service to indigent households)		10,673	11,528	12,510	12,510	12,510	12,510	10,258	8,411	7,570
Electricity/other energy (in excess of 50 kwh per indigent household per month)		2,733	2,982	4,159	5,916	5,916	5,916	7,946	8,582	9,268
Refuse (in excess of one removal a week for indigent households)		—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided	6	151,770	160,823	187,252	199,384	199,384	199,384	215,904	231,887	251,719

1.6 CAPITAL EXPENDITURE

The table below depicts a summary of the allocations per municipal priority on the capital expenditure budget.

MUNICIPAL PRIORITY	Sum of 2016/2017 BUDGET ESTIMATE	Sum of 2017/2018 BUDGET FORECAST	Sum of 2018/2019 BUDGET FORECAST
Community Development	R 46,205,904	R 76,057,232	R 87,634,800
Economic Development	R 49,424,035	R 57,918,965	R 48,343,061
Electricity supply management	R 24,294,976	R 10,360,526	R 8,041,228
Financial Management	R 11,824,124	R 13,000,000	R 9,490,800
Good Governance and Institutional Development	R 20,766,152	R 22,323,859	R 44,816,908
Integrated Human Settlement	R 2,000,000	R 3,000,000	R 4,000,000
Public Transport	R 149,394,737	R 122,800,000	R 110,187,895
Revenue Enhancement	R 7,601,254	R 10,834,831	R 4,158,552
Roads and Stormwater Management	R 110,152,667	R 100,500,000	R 101,356,807
Rural Development	R 4,000,000	R 3,620,000	R 3,947,200
Sanitation	R 40,365,152	R 26,556,969	R 28,183,826
Waste and Environment Management	R 7,650,000	R 15,470,567	R 21,411,726
Water Supply	R 153,276,479	R 191,809,289	R 213,492,128
Grand Total	R 626,955,481	R 654,252,240	R 685,064,931

The municipality will be spending in the next three years R1 348 billion (69 percent) of the total capital expenditure budget) on social infrastructure development to address backlogs.

- Bulk water and reticulation infrastructure allocation will be R559 million over the medium-term and allocation for 2016/2017 is R154 million. The construction of Karino/ Ntsikazi South Bulk Water Schemes remains a priority and an amount of R143 million has been allocated towards the project over the medium.
- Roads and storm water management infrastructure allocation will be R312 million over the medium-term and allocation for 2016/2017 is R110 million. The Matsafeni Bus route will be upgraded to a tar at a cost of R25 million, Dr Enos Mabuza to Johanna Street will be widen to four lanes at a cost of R24 million. Several streets at Kanyamazane will be upgraded to tar or paved roads at a cost of R20 million.
- Electricity supply and management infrastructure allocation will be R43 million over the medium-term and allocation for 2016/2017 is R24 million. The Valencia Park substation will be upgraded at a cost of R4 million in 2016/2017, Steiltes electricity supply line will be upgraded at a cost of R2,7 million and R6 million has been allocated for electrification of Msholozhi in 2016/2017.
- Sanitation and sewerage infrastructure allocation will be R95 million over the medium-term and allocation for 2016/2017 is R40 million. Tekwane North outfall sewer system will be upgraded at a cost of R12 million, Matsafeni/Nelspruit sewer system will be upgraded at a cost of R14,4 million and new sewer pump station will be constructed at Kabokweni at a cost of R3 million.
- The allocation for public transport infrastructure over the medium term will amount to R382 million and allocation for 2016/2017 is R149 million. The Freiedenheim Street in Mbombela City CBD will be R15 million. The R40/ D725 interchange will be upgraded at a cost of R26 million and several public transport facilities will be constructed at a cost of R57 million.

Highlights on some of the projects the municipality will undertake per service

(a) Repairs and maintenance of roads infrastructure.



(b) Water works project Nsikazi via Karino Bulk water supply Pipeline





(c) Community development projects



Furthermore a detailed breakdown of the capital budget per project over the medium-term – Referred as Annexure 30/2016 on the council resolutions.

2016/2017 DRAFT CAPITAL BUDGET									
DEPARTMENT	MUNICIPAL PRIORITY	PROJECT DESCRIPTION	SOURCE OF FUNDING	LOCATION	WARD	2015/2016 ADJUSTED BUDGET	2016/2017 BUDGET ESTIMATE	2017/2018 BUDGET FORECAST	2018/2019 BUDGET FORECAST
Financial Services	Financial Management	Upgrade of existing mechanical workshop	Internal Funding	Institutional	Institutional	R 500,000	R 3,500,000	R 3,000,000	R -
Financial Services	Financial Management	Computerised mechanical workshop equipment	Internal Funding	Institutional	Institutional	R -	R -	R 2,900,000	R 3,000,000
Financial Services	Financial Management	Procurement of mSCOA compliant system (ERP)	Internal Funding	Institutional	Institutional	R 4,059,987	R 3,000,000	R 1,000,000	R 1,000,000
Financial Services	Financial Management	Upgrade of municipal stores	Internal Funding	Institutional	Institutional	R 1,462,000	R 800,000	R 920,000	R 1,000,000
Financial Services	Financial Management	Upgrade of rates halls facilities	Internal Funding	Institutional	Institutional	R -	R 1,000,000	R 2,000,000	R 1,120,000
Financial Services	Financial Management	Upgrade of documents filing storage	Internal Funding	Institutional	Institutional	R -	R 524,124	R -	R -
Financial Services	Financial Management	Procurement of office furniture	Internal Funding	Institutional	Institutional		R 3,000,000	R 3,180,000	R 3,370,800
Water and Sanitation	Water Supply	Provision Of Nsikazi South Via Karino Bulk Water Supply Scheme Phase 2	MIG	Nsikazi South	18		R 66,003,439	R 33,743,867	R -
Water and Sanitation	Water Supply	Provision Of Nsikazi South Via Karino Bulk Water Supply Scheme Phase 3	MIG	Nsikazi South	18		R -	R -	R 43,511,242
Water and Sanitation	Water Supply	MTS - Wtw Extension With 6mld	MIG	Matsulu	13, 27, 28,		R 5,000,000	R 10,000,000	R 30,000,000
Water and Sanitation	Water Supply	Nsikazi North water reticulation scheme	MIG	Nsikazi North	1, 5, 6, 7, 8, 9, 25		R 9,186,850	R 11,769,317	R 15,607,175
Water and Sanitation	Water Supply	Nsikazi South water reticulation scheme	MIG	Nsikazi South			R 9,186,850	R 11,769,316	R 15,607,176
Water and Sanitation	Water Supply	Additional 1.5Ml reservoir for Phumlani and associated infrastructure	MIG	Phumlani	30		R 7,000,000	R 15,000,000	R 20,000,000
Water and Sanitation	Water Supply	Nsikazi North Bulkwater Supply - (Counterfunding for RBIG)	MIG	Nsikazi North			R -	R 35,000,000	R -
Water and Sanitation	Sanitation	Tekwane North outfall sewer	MIG	Tekwane North	26		R 12,000,000	R -	R -
Water and Sanitation	Sanitation	Metaffin Sanitation Structures	MIG	Metaffin			R 8,490,416	R 6,000,000	R -
Water and Sanitation	Sanitation	Entokozweni Sewer Reticulation	MIG	Entokozweni			R 628,911	R 1,399,434	R 4,000,000
Water and Sanitation	Sanitation	Planning, design and construction of Elandshoek WWTW and Water borne toilet	MIG	Elandshoek	12		R -	R -	R 5,000,000
Water and Sanitation	Sanitation	Upgrading of Nelspruit / Metaffin Northern outfall sewer	MIG	Metaffin	14		R 8,000,000	R 6,400,000	R -
Water and Sanitation	Water Supply	Refurbishment of Water Infrastructure Assets	Internal Funding	Mbombela	All wards		R -	R 1,000,000	
Water and Sanitation	Water Supply	White River WTW Back-Up Raw Water Supply	Internal Funding	White River			R -	R 1,000,000	R 2,500,000
Water and Sanitation	Water Supply	Upgrade of Additional 3.5 ML Reservoir and Bulk Water Supply in Hillsvie	Internal Funding	White River			R -	R 1,000,000	R 2,500,000
Water and Sanitation	Water Supply	White River Complex Reservoir 3 ML	Internal Funding	White River			R -	R 1,000,000	R 2,500,000
Water and Sanitation	Water Supply	Upgrade of Additional 3.5 ML Reservoir in Hazyview	Internal Funding	Hazyview			R -	R 1,000,000	R 2,500,000
Water and Sanitation	Water Supply	Upgrade of Water Pipeline Link Phola to Mshadza	Internal Funding	Phola	5		R -	R -	
Water and Sanitation	Water Supply	White River/ Sand River: construction of sunction pump line	Internal Funding	White river	30		R -	R -	R 2,355,848
Water and Sanitation	Water Supply	Installation of back-up Generators	Internal Funding	Institutional	All wards		R -	R 3,779,770	R -
Water and Sanitation	Water Supply	Installation of Water SCADA System	Internal Funding	Mbombela	All wards		R 953,726	R 1,000,000	R -
Water and Sanitation	Water Supply	Procurement of Plants and Equipment	Internal Funding	Institutional	Institutional		R 4,000,000	R 1,000,000	R -
Water and Sanitation	Water Supply	Procurement of Laboratory equipment	Internal Funding	Institutional	Institutional		R 1,000,000	R -	R -
Water and Sanitation	Water Supply	Procurement of Fleet	Internal Funding	Institutional	Institutional		R 5,000,000	R 1,000,000	R -
Water and Sanitation	Water Supply	Raising of Primpkop Dam	Internal Funding	Primpkop			R -	R 841,755	R 1,541,389
Water and Sanitation	Sanitation	Refurbishment of Waste Water Infrastructure Assets	Internal Funding	Mbombela	All wards		R 1,500,000	R -	

Water and Sanitation	Sanitation	Construction of 6 ML New Hazyview WWTW	Internal Funding	Hazyview, Shabalala			R 1,000,000	R 3,657,535	R 5,183,826
Water and Sanitation	Sanitation	Refurbishment Hazyview WWTW	Internal Funding	Hazyview			R 1,245,825	R 2,500,000	R -
Water and Sanitation	Sanitation	Refurbishment and Upgrade (7.5 ML) of Rocky's Drift WWTW	Internal Funding	Rocky's Drift			R 1,000,000	R 2,000,000	R 5,000,000
Water and Sanitation	Sanitation	Refurbishment and Upgrade of Colts Hill Bulk Outfall Sewer	Internal Funding	White River			R 1,000,000	R 2,000,000	R 2,000,000
Water and Sanitation	Sanitation	Refurbishment and Upgrade of Nothren Bulk Outfall Sewer	Internal Funding	White River			R 1,000,000	R 2,000,000	R -
Water and Sanitation	Sanitation	Refurbishment and Upgrade of Sewer Networks in Hazyview	Internal Funding	Hazyview				R -	R 1,000,000
Water and Sanitation	Sanitation	Modification of Country Estate Sewer Pump Station (Pebbles)	Internal Funding	White River			R 1,500,000	R -	R -
Water and Sanitation	Sanitation	Kanyamazane x6 (Mhlume) Sewer Reticulation	MIG	Kanyamazane x6			R -	R 600,000	R 6,000,000
Water and Sanitation	Sanitation	Emoyeni Sewer Pump line and Pump Station	Internal Funding	Emoyeni			R -	R -	R -
Water and Sanitation	Revenue Enhancement	Implementation of Water Conservation & Demand Management Programme	Internal Funding	All wards	All wards		R 3,547,252	R 3,834,831	R 4,158,552
Water and Sanitation	Sanitation	Construction of a new Kabokweni sewer pump station, outfall sewer and associated infrastructure	Internal Funding	Kabokweni	33		R 3,000,000	R -	
Water and Sanitation	Water Supply	Refurbishment of White River WTW and Country Estate WTW	WSIG Grant	White River	30		R 4,000,000	R 4,000,000	R 2,000,000
Water and Sanitation	Water Supply	Refurbishment of WTW in Hazyview	WSIG Grant	Hazyview	1		R 2,000,000	R 2,000,000	R 2,000,000
Water and Sanitation	Water Supply	Refurbishment of Kanyamazane WTW	WSIG Grant	Kanyamazane	20		R 2,500,000	R 2,500,000	R 2,000,000
Water and Sanitation	Water Supply	Refurbishment of Water Network, AC Replacement and Booster Pump Station in White River and Rocky's Drift	WSIG Grant	White River	30		R 4,000,000	R 4,000,000	R 4,000,000
Water and Sanitation	Water Supply	Refurbishment of Water Network, AC Replacement and Booster Pump Station in Hazyview	WSIG Grant	Hazyview			R 3,107,895	R 4,000,000	R 4,000,000
Water and Sanitation	Water Supply	Construction of Jerusalem Water Package Plant, storage, pump line and reticulation	WSIG Grant	Jerusalem	8		R -	R 2,000,000	R 8,000,000
Water and Sanitation	Water Supply	Refurbishment Of Kanyamazane to Pienaar Bulk Line (Valves, Damage to pipe lines, Chambers, etc.)	WSIG Grant	Kanyamazane, Pienaar	2, 4, 10, 18, 19, 20, 21, 22, 23, 24, 26, 29, 33, 35		R 3,200,000	R 5,267,544	R 5,000,000
Water and Sanitation	Water Supply	Refurbishment of Package Plants (Mshadza, Majika, Mganduzweni)	WSIG Grant	Phola, Majika & Mganduzweni and Water Package Treatment works	5, 9, 25		R 6,500,000	R 5,000,000	R 5,000,000
Water and Sanitation	Water Supply	Construction of a Weir Nsikazi Regional Raw Water Pump Station	WSIG Grant	Kanyamazane	2, 4, 10, 18, 19, 20, 21, 22, 23, 24, 26, 29, 33, 35		R -	R -	R 5,000,000
Water and Sanitation	Water Supply	Upgrade of the Crane and Lifting Beams Capacity at Nyongane WTW, Kanyamazane WTW and Raw Water Pump Station and Sabie Raw Pump Station and Extractor Fans	WSIG Grant	Nyongane and Kanyamazane	1, 3, 5, 6, 7, 8, 9, 25, 34, 37		R 6,000,000	R -	R -
Water and Sanitation	Water Supply	Upgrade of Phumlani to White river bulk water line	WSIG Grant	Phumlani	30		R 3,000,000	R 9,000,000	R 10,000,000
Water and Sanitation	Water Supply	Kanyamazane Ext 6 (Mhlume) water supply	WSIG Grant	Kanyamazane (Mhlume)			R -	R -	R -
Water and Sanitation	Water Supply	Daantjie tribal office concrete reservoir and refurbishment of the bulk line	WSIG Grant	Daantjie			R -	R -	R -
Water and Sanitation	Water Supply	Refurbishment of Kabokweni Water Network	WSIG Grant	Kabokweni			R 5,137,719	R 5,000,000	R 15,941,667
Water and Sanitation	Water Supply	Makoko 1.5 ML Package Plant	WSIG Grant	Makoko			R 4,000,000	R 4,000,000	R -
Water and Sanitation	Water Supply	Construction of Bongani 1.5 ML Package Plant	WSIG Grant	Bongani			R -	R 3,000,000	R 6,000,000
Water and Sanitation	Water Supply	Majika Bulk Water Upgrade and Refurbishment	WSIG Grant	Majika			R -	R -	R -
Water and Sanitation	Water Supply	Construction of new water rising main bulk supply line and 2ML reservoir and extension of reticulation in Mahushu	WSIG Grant	Mahushu			R -	R -	R -
Water and Sanitation	Water Supply	Refurbishment of existing reticulation in Bhakiswayo	WSIG Grant	Bhakiswayo			R -	R 3,000,000	R -
Water and Sanitation	Water Supply	Refurbishment of reticulation in Chweni and Khumbula	WSIG Grant	Chweni, Khumbula			R -	R 3,000,000	R 1,500,000

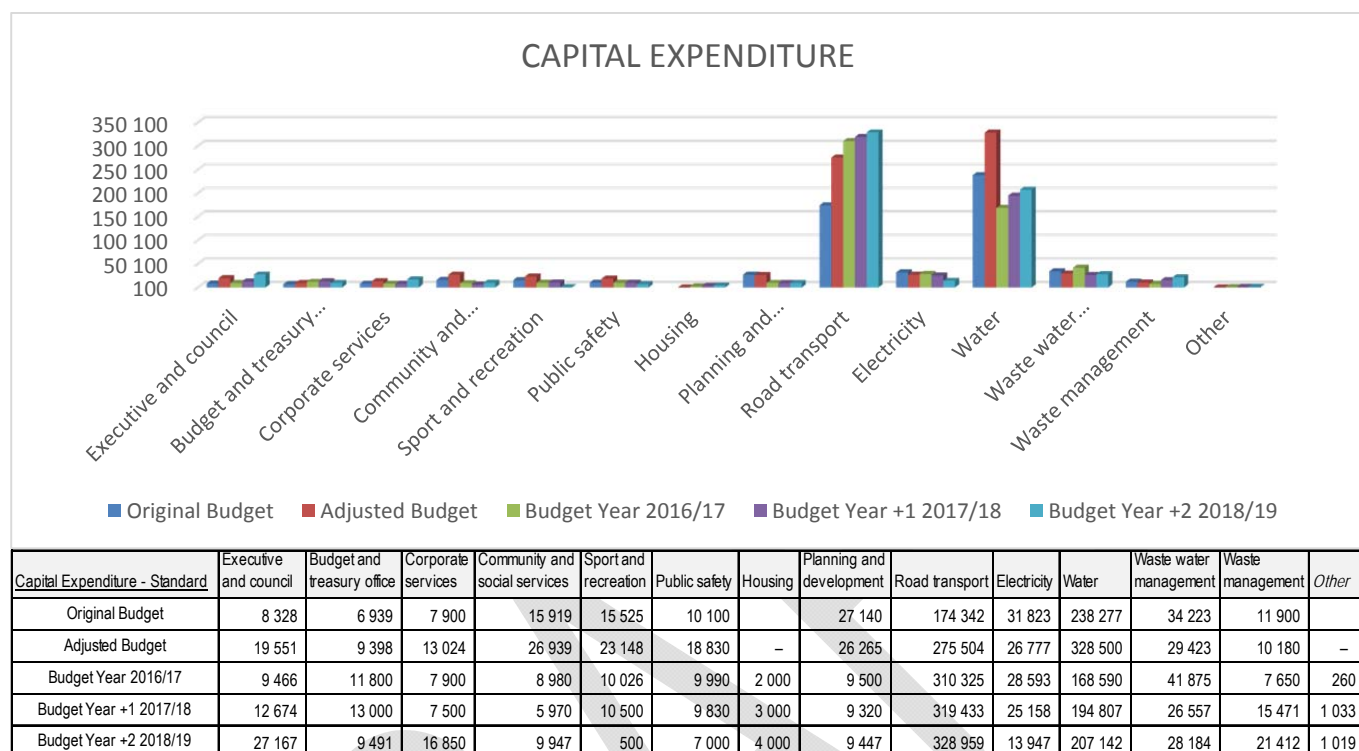
Water and Sanitation	Water Supply	Upgrading of infrastructure and extension of reticulation in Malekutu Informal and refurbishment of reticulation in Malekutu, Makoko and Phameni	WSIG Grant	Malekutu, Makoko, Phameni			R	-	R 2,824,562	R 1,000,000
Water and Sanitation	Water Supply	Refurbishment of reticulation in Clau-Clau	WSIG Grant	Clau-Clau			R	-	R 3,000,000	R -
Water and Sanitation	Water Supply	Refurbishment of reticulation in Daantjie	WSIG Grant	Daantjie			R	-	R -	R -
Water and Sanitation	Water Supply	Water Network Refurbishment and Bulk Water Supply	WSIG Grant	All	All		R	-	R -	R 1,427,631
Water and Sanitation	Water Supply	Upgrading of bulk infrastructure and extension of reticulation in Gutshwakop	WSIG Grant	Gutshwakop			R	-	R -	R 2,000,000
Water and Sanitation	Water Supply	Backdoor, Mbonizweni, Phathwa - Augmentation line	WSIG Grant	Backdoor, Mbonizweni, Phathwa			R 2,500,000	R 313,158	R -	R -
Infrastructure Development	Roads and Stormwater Management	Construct Lemoen Street (100m x 7m)	Internal Funding	White River	30		R 800,000	R -	R -	R -
Infrastructure Development	Roads and Stormwater Management	Replace collapsed stormwater pipes - construction (WA 7 & 8)	Internal Funding	West Acres	15		R -	R 4,000,000	R 2,000,000	R -
Infrastructure Development	Roads and Stormwater Management	Replace West Acres Stormwater - Designs Tender (Phase 3)	Internal Funding	West Acres	15		R -	R 500,000	R 500,000	R -
Infrastructure Development	Roads and Stormwater Management	Rehabilitation of West Acres stream (Erosion)	Internal Funding	West Acres	15, 16		R -	R 2,000,000	R 2,000,000	R -
Infrastructure Development	Good Governance and Institutional Development	Procurement of Fleet (1 TLB, 1 Crane Truck and 3 LDVs)	Internal Funding	Institutional	1-39		R 3,000,000	R -	R -	R -
Infrastructure Development	Roads and Stormwater Management	Construct speed humps (39 Wards)	Internal Funding	Various areas	1-39		R 780,000	R 1,000,000	R 1,000,000	R -
Infrastructure Development	Good Governance and Institutional Development	Upgrading of workshops	Internal Funding	Matsulu, Kanyamazane, KaBokweni, Hazyview, White River and Mbombela	1-39		R 100,000	R 500,000	R 500,000	R -
Infrastructure Development	Roads and Stormwater Management	Channel stream behind Erf 58 Vintonia x 7 between Samora Machel Dr and railway line	Internal Funding	Vintonia	14		R -	R 2,000,000	R -	R -
Infrastructure Development	Good Governance and Institutional Development	Small Plant and equipment	Internal Funding	MLM	All		R 300,000	R 300,000	R 300,000	R -
Infrastructure Development	Roads and Stormwater Management	Tom Lawrence Street reconstruction	Internal Funding	White River	30		R -	R -	R 12,300,000	R -
Infrastructure Development	Roads and Stormwater Management	R40 through Hazyview, Reconstruction	Internal Funding	Hazyview	1		R -	R 8,000,000	R 7,500,000	R -
Infrastructure Development	Roads and Stormwater Management	Hazyview 7 & 8 : Upgrade and extend stormwater system to stream to prevent erosion of private property	Internal Funding	Hazyview	1		R 470,000	R -	R -	R -
Infrastructure Development	Roads and Stormwater Management	Ferreira Street and Enos Mabuza Dr: Intersections and road upgradings in compliance with road safety audit	Internal Funding	Mbombela	15,16,17		R 5,500,000	R -	R -	R -
Infrastructure Development	Electricity supply management	Upgrade of West Acres 8 and No.2 Substations	Internal Funding	West Acres; Valencia	15, 14		R 6,114,111	R -	R -	R -
Infrastructure Development	Electricity supply management	Ehmke II Switching Station	Internal Funding	Mbombela	17		R 4,100,000	R -	R -	R -
Infrastructure Development	Electricity supply management	Upgrade of Valencia Park Substation	Internal Funding	Valencia	14		R 5,484,374	R -	R -	R -
Infrastructure Development	Electricity supply management	Steiltes Electricity Supply	Internal Funding	Steiltes, Valencia, West Acres	14, 15, 17		R 2,700,000	R 5,000,000	R -	R -
Infrastructure Development	Revenue Enhancement	Power Factor Control in Major Substations	Internal Funding	Mbombela; White River	14-17; 30		R -	R 5,000,000	R -	R -
Infrastructure Development	Revenue Enhancement	Meter Replacement Programme	Internal Funding	Mbombela; White River, Hazyview	1; 14-17; 30		R 4,054,002	R 2,000,000	R -	R -
Infrastructure Development	Good Governance and Institutional Development	Workshop Offices & Ablution Facilities: White River	Internal Funding	White River	30		R -	R 750,000	R -	R -
Infrastructure Development	Good Governance and Institutional Development	Workshop Offices & Ablution Facilities: Mbombela City	Internal Funding	Valencia	14		R -	R 600,000	R -	R -
Infrastructure Development	Public Transport	Kaapsche Hoop Rd widening to 4 lanes: Construction (Ph 1 & 2)	PTNG	West Acres	14,16		R 9,800,000	R 10,500,000	R 9,000,000	R -
Infrastructure Development	Public Transport	Refurbish road bridge over Crocodile River at Karino (D636)	PTNG	Karino	18		R 2,000,000	R 3,000,000	R -	R -
Infrastructure Development	Public Transport	Complete construction of busroute and culverts between Tekwane North and Msogwaba	PTNG	Tekwane North, Msogwaba	26		R 7,571,750	R 16,000,000	R 17,000,000	R -
Infrastructure Development	Roads and Stormwater Management	Dr Enos Mabuza Dr: Widening to 4 lanes: Construction Phase 1 (Madiba Dr to Johanna Street)	Services Contribution	Mbombela	15,16,17		R 4,723,371	R 12,000,000	R 7,500,000	R -

Infrastructure Development	Public Transport	Upgrade intersection of roads D636 / D2296 (Karinu)	PTNG	Karinu	18		R 7,070,850	R -	R -	-
Infrastructure Development	Electricity supply management	Electrification of 3000 Households in Msholoz Township (Construction)	INEP	Msholoz	14		R 5,896,491		R 8,041,228	
Infrastructure Development	Electricity supply management	Msholoz Bulk Supply (Construction)	INEP	Msholoz	14		R -	R 5,360,526	R -	
Infrastructure Development	Roads and Stormwater Management	Matsafeni Bus Route	MIG	Matsafeni	14		R 20,000,000	R 5,000,000		
Infrastructure Development	Roads and Stormwater Management	Construction of Mjejane Road	MIG	Mjejane	36		R -	R 12,500,000	R 53,556,807	
Infrastructure Development	Roads and Stormwater Management	Construction of KaNyamazane Street: Hornet Road	MIG	KaNyamazane	19		R 4,000,000	R -	R -	
Infrastructure Development	Roads and Stormwater Management	Construction of KaNyamazane Streets: Hercules Street	MIG	KaNyamazane	21		R 15,000,000	R -	R -	
Infrastructure Development	Roads and Stormwater Management	Sand Ford Access Road	MIG	Sand Ford	1		R 500,000	R 12,000,000	R -	
Infrastructure Development	Roads and Stormwater Management	Elijah Mango Bus Route Phase 3	MIG	Elijah Mango	11		R 3,041,806	R 12,000,000	R 15,000,000	
Infrastructure Development	Roads and Stormwater Management	Construction of Zomba to Emoyeni Road	MIG	Zomba	36		R 13,522,084	R -	R -	
Infrastructure Development	Roads and Stormwater Management	Pharaphara street in Kanyamazane	MIG	Pharaphara	19		R 2,999,477	R -	R -	
Infrastructure Development	Roads and Stormwater Management	Construction of TV/Nkomeni Mangozeni Road	MIG	TV/Nkomeni	11		R 12,000,000	R 15,500,000	R -	
Infrastructure Development	Roads and Stormwater Management	Construction of Upgrading of Kanyamazane street: Connies Drive & Master Street	MIG	KaNyamazane	19.2		R 8,658,291	R -	R -	
Infrastructure Development	Roads and Stormwater Management	Construction of Sibuyile paved road phase 2	MIG	Sibuyile	24		R 11,732,926	R -	R -	
Infrastructure Development	Roads and Stormwater Management	Kanyamazane Streets: construction of Mirage Street	MIG	KaNyamazane	21		R 2,772,004	R -	R -	
Infrastructure Development	Roads and Stormwater Management	Kanyamazane Streets: Construction of Shackleton to Red Barron street	MIG	KaNyamazane	21		R 3,652,709	R 14,000,000	R -	
Infrastructure Development	Community Development	Construction of Pedestrian Bridges in Wards 7, 8 & 9 Phase 1	MIG	Mganduzweni	9		R 7,210,001	R 6,000,000	R -	
Infrastructure Development	Community Development	Construction of Pedestrian Bridges in Wards 4, 10 11, 31, 32, & 35 Phase 1	MIG	Clau-Clau, Zwelisha	10, 4		R 5,000,000	R 18,757,232	R 35,000,000	
Infrastructure Development	Community Development	Construction of Pedestrian Bridges in Wards 14, 22, 26 & 27 Phase 1	MIG	Msogwaba, Matsulu	22,27		R 5,000,000	R 25,000,000	R 35,187,600	
Infrastructure Development	Community Development	Upgrading of Matsulu Sports facilities	MIG	Matsulu	27,28		R 9,525,903	R 10,000,000	R -	
Infrastructure Development	Public Transport	Upgrade of Mbombela CBD Priority Routes: Friedenheim	PTNG	Nelspruit	14		R 15,503,761	R -	R -	
Infrastructure Development	Public Transport	Upgrade of Public Transport Priority Routes	PTNG	Nelspruit	14, 15, 16, 17				R 57,187,895	
Infrastructure Development	Public Transport	Upgrade of Mbombela CBD Priority Routes: Rail Bridge over Friedenheim	PTNG	Nelspruit	14		R 8,000,000	R 25,000,000	R 7,000,000	
Infrastructure Development	Public Transport	Upgrade of Mbombela CBD Priority Routes: Bosch Interchange	PTNG	Nelspruit	14		R 8,000,000	R 2,000,000	R -	
Infrastructure Development	Public Transport	Construction of R40/D725 Interchange - University of Mpumalanga	PTNG	Nelspruit	14		R 26,000,000	R 20,000,000	R 20,000,000	
Infrastructure Development	Public Transport	TUT PT Facility	PTNG	Nelspruit	15		R 7,000,000	R 300,000	R -	
Infrastructure Development	Public Transport	Rob Ferreira PT Facility	PTNG	Rob Ferreira	15		R 8,000,000	R -	R -	
Infrastructure Development	Public Transport	Bosch Street PT Facility	PTNG	Nelspruit	15		R 3,448,376	R -	R -	
Infrastructure Development	Public Transport	Riverside PT Facility	PTNG	Riverside	37		R 8,000,000	R 2,000,000	R -	
Infrastructure Development	Public Transport	Swalala PT Facility	PTNG	Swalala	6		R 7,500,000	R 2,500,000	R -	
Infrastructure Development	Public Transport	KaBokweni PT Facility	PTNG	Kabokweni	33		R 7,500,000	R 2,500,000	R -	
Infrastructure Development	Public Transport	Lehawu PT Facility	PTNG	Lehawu	4		R 1,000,000	R 7,000,000	R -	
Infrastructure Development	Public Transport	Matsulu PT Facility	PTNG	Matsulu	27, 28		R 5,000,000	R -	R -	
Infrastructure Development	Public Transport	KaNyamazane PT Facility	PTNG	KaNyamazane	20		R 5,000,000	R 15,000,000	R -	
Infrastructure Development	Public Transport	Hazyview PT Facility	PTNG	Hazyview	1		R 5,000,000	R 15,000,000	R -	
Infrastructure Development	Public Transport	NMT, Pedestrian & Safety projects	PTNG	Mbombela	14		R 8,000,000	R 2,000,000	R -	
Community Services	Community Development	Renovation of Van Riebeeck Park Tennis Courts and Tennis Club house	Internal Funding	Mbombela	Ward 16	R -	R 1,000,000	R 250,000	R 150,000	
Community Services	Community Development	Retile of Valencia, Nelsville, White River Swimming Pools	Internal Funding	Institutional	14, 16, 30	R -	R 1,000,000	R 1,060,000	R 1,123,600	
Community Services	Community Development	Purchase of Brushcutters and Ride on Lawn Mowers for Sports Section	Internal Funding	Institutional	Institutional	R 500,000	R 500,000	R 500,000	R 500,000	
Community Services	Waste and Environment Management	Solid Waste Management Fleet	Internal Funding	Mbombela White River Kabokweni Hazyview	1,2,14,15,16,17,30,33,37	R 6,000,000	R 5,000,000	R 11,420,567	R 17,806,726	
Community Services	Waste and Environment Management	Ablution and Change Room Facilities	Internal Funding	Mbombela White River Kabokweni Hazyview	1,15,30,33	R -	R 500,000	R 1,000,000	R -	
Community Services	Waste and Environment Management	Waste Storage Facilities	Internal Funding	Mbombela White River Kabokweni Hazyview	1,15,30,33	R 1,700,000	R 1,400,000	R 2,500,000	R 3,000,000	

Community Services	Waste and Environment Management	Registration and Licensing of Matsulu Transfer Station	Internal Funding	Matsulu A	13	R -	R 250,000	R 550,000	R 605,000
Community Services	Community Development	Upgrade of Parks	Internal Funding	Mbombela White River Kabokweni Hazyview	1,15,30,33	R -	R 1,000,000	R 1,060,000	R 1,123,600
Community Services	Community Development	Upgrade of Focal Points	Internal Funding	Mbombela White River Kabokweni Hazyview	1,15,30,33	R -	R 1,000,000		R 2,000,000
Community Services	Community Development	Purchase of fleet	Internal Funding	Mbombela White River Kabokweni Hazyview	1,15,30,33	R -	R 1,500,000		R 2,600,000
Community Services	Community Development	Purchase of Lawnmowers and Brush Cutters	Internal Funding	Mbombela White River Kabokweni Hazyview	1,15,30,33	R -	R 700,000	R 800,000	R 1,000,000
Community Services	Community Development	Purchase of 15 collapsible structures	Internal Funding	Institutional	Institutional	R 200,000	R 400,000	R 450,000	R 500,000
Community Services	Community Development	Purchase 1 Disaster respond vehicle	Internal Funding	Institutional	Institutional	R -	R 450,000	R 500,000	R 800,000
Community Services	Community Development	Purchase of 2 Animal control vehicle	Internal Funding	Institutional	Institutional	R -	R 800,000	R -	R 900,000
Community Services	Community Development	Disaster Management equipment	Internal Funding	Institutional	Institutional	R 60,000	R 80,000	R 150,000	R 150,000
Community Services	Community Development	Purchase of 10 Guard Houses	Internal Funding	Institutional	Institutional	R 200,000	R 800,000	R 800,000	R 400,000
Community Services	Community Development	Matsulu Fire Station Fleet	Internal Funding	Institutional	Institutional	R -	R 4,000,000	R 6,000,000	R 3,500,000
Community Services	Community Development	Upgrading of Mbombela Fire Station	Internal Funding	Institutional	Institutional	R 800,000	R 500,000	R 500,000	R 500,000
Community Services	Community Development	Upgrading of KaNyamazane Fire Station	Internal Funding	Institutional	Institutional	R -	R 350,000	R 150,000	R 100,000
Community Services	Community Development	Purchase of two 4 x 4 Grass and two 4 x 4 Fire Prevention Units LDV	Internal Funding	Institutional	Institutional	R -	R 1,000,000	R 600,000	R 600,000
Community Services	Community Development	Supply and Installation of GPS to 22 Fire Brigade Vehicles	Internal Funding	Institutional	Institutional	R -	R 170,000	R 80,000	R -
Community Services	Community Development	Computerise Learners License System in White River	Internal Funding	Institutional	Institutional	R -	R 1,000,000	R -	R -
Community Services	Community Development	Installation of Q-management system at Mbombela and White River Licensing	Internal Funding	Institutional	Institutional	R -	R 720,000	R -	R -
Community Services	Community Development	Installation of Carpets at Mbombela Taxi rank	Internal Funding	Institutional	Institutional	R -	R 150,000	R 1,000,000	
Community Services	Community Development	Installation of airconditioners at mbombela taxi rank offices	Internal Funding	Institutional	Institutional	R -	R 100,000	R -	R -
Community Services	Community Development	Installation of vehicle mounted cameras in forty Traffic Vehicles	Internal Funding	Institutional	Institutional	R -	R 500,000	R 500,000	R 500,000
Community Services	Community Development	Speed Cameras for Speed Prosecution	Internal Funding	Institutional	Institutional	R -	R 600,000	R -	R -
Community Services	Community Development	16 Seater Mini Bus	Internal Funding	Institutional	Institutional	R -	R 450,000	R 500,000	R 1,000,000
Community Services	Community Development	Security War Room Established	Internal Funding	Institutional	Institutional	R -	R 700,000	R 1,400,000	R -
Corporate Services	Good Governance and Institutional Development	Purchase of Medical Equipment	Internal Funding	Institutional	Institutional		R 400,000	R -	R 150,000
Corporate Services	Good Governance and Institutional Development	Purchase of Computer Equipment	Internal Funding	Institutional	Institutional		R 4,000,000	R 2,500,000	R 5,000,000
Corporate Services	Good Governance and Institutional Development	New / Upgrade Server and Network infrastructure	Internal Funding	Institutional	Institutional		R 2,000,000	R 3,700,000	R 4,400,000
Corporate Services	Good Governance and Institutional Development	Upgrade of Tetra 2 Communication System	Internal Funding	Institutional	Institutional				R 5,000,000
Corporate Services	Good Governance and Institutional Development	Upgrade CCTV system	Internal Funding	Institutional	Institutional		R 500,000	R 300,000	R 300,000
Corporate Services	Good Governance and Institutional Development	New / Upgrade Software	Internal Funding	Institutional	Institutional		R 1,000,000	R 1,000,000	R 2,000,000
City Planning and Development	Rural Development	Construction of Poultry Brioler Houses	Internal Funding	NSIKAZI, NELSPRUITB, HAZYVIEW	31,35,33,32, 11,36,4,2,29, 22,21,20,19, 27	R -	R 2,000,000	R 2,120,000	R 2,247,200
City Planning and Development	Rural Development	Construction of Piggery Houses	Internal Funding	NSIKAZI, NELSPRUITB, HAZYVIEW	31,35,33,32, 11,36,4,2,29, 22,21,20,19, 27	R -	R 2,000,000	R 1,500,000	R 1,700,000
City Planning and Development	Economic Development	Infrastructure Planning for Township Tourism Route	Internal Funding	ALL		R -	R 1,000,000	R 500,000	R 500,000
City Planning and Development	Integrated Human Settlement	Installation of Solar Water Geysers	Internal Funding	MATSULU,KAB OKWENI, KANYAMAZANE ,TEKWANE SOUTH AND NORTH AND TSHABALALA	13,27,18,19, 20,21,32,33, 1,	R 2,000,000	R 2,000,000	R 3,000,000	R 4,000,000

City Planning and Development	Economic Development	Construction of Informal Trade Facilities	Internal Funding	MBOMBELA	ALL	R 2,700,000	R 1,500,000	R 1,500,000	R 2,000,000
City Planning and Development	Economic Development	Construction of Job Linkage Centre	Internal Funding	MSOGWABA	26	R 6,400,000	R 3,000,000	R 3,700,000	R 3,000,000
City Planning and Development	Economic Development	Provision of Barber Stalls	Internal Funding	MBOMBELA	1,30,14,15	R 426,201	R -	R 500,000	R 765,000
City Planning and Development	Economic Development	Provision of Informal Traders Storage Facilities	Internal Funding	MBOMBELA	14,15	R -	R -	R 195,000	R 253,500
City Planning and Development	Economic Development	Provision of Market Stalls Ablution Facilities	Internal Funding	MBOMBELA, PLASTON, MAHUSHU	3,14	R -	R 260,000	R 338,000	
City Planning and Development	Economic Development	Upgrade of KaNyamazane - Msogwaba and Luphisi Road	NDPG	KaNyamazane, Msogwaba and Luphisi	04,18,19,20,21,22,23,26,29	R 61,411,712	R 42,664,035	R 50,685,965	R 41,324,561
City Planning and Development	Economic Development	Infrastructure Planning for Township Tourism Route	Internal Funding	ALL		R -	R 1,000,000	R 500,000	R 500,000
Municipal Manager	Good Governance and Institutional Development	Procurement of Performance Tracking System	Internal Funding	Institutional	Institutional	-	R 1,500,000	R 1,600,653	R 1,713,956
Municipal Manager	Good Governance and Institutional Development	Feasibility Studies for International Convention Centre	Internal Funding	Institutional	Institutional	R 15,450,673	R 6,500,000	R 9,405,748	R 18,452,952
Deputy Municipal Manager	Waste and Environment Management	Purchase of 2 LDV Vehicles	Internal Funding	Institutional	Institutional		R 500,000		
Municipal Manager	Good Governance and Institutional Development	Feasibility Studies for Indoor Multi-Sport Centre	Internal Funding	Institutional	Institutional	R 1,500,000	R 733,076	R 833,729	R 3,500,000
Municipal Manager	Good Governance and Institutional Development	Feasibility Studies for Heritage Centre	Internal Funding	Institutional	Institutional	R 1,500,000	R 733,076	R 833,730	R 3,500,000
GRAND-TOTAL						R 106,870,573	R 626,955,481	R 654,252,240	R 685,064,931

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The following pages present the ten main budget tables as required in terms of regulation 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/2017 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

MP322 Mbombela - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands									
Financial Performance									
Property rates	274,262	290,608	335,674	374,063	374,063	374,063	408,085	433,386	460,256
Service charges	635,229	709,239	786,819	903,936	903,936	903,936	1,022,660	1,116,997	1,225,390
Investment revenue	—	—	7,935	9,475	8,341	8,341	9,342	10,463	11,718
Transfers recognised - operational	382,171	359,287	432,816	574,714	573,838	573,838	624,125	692,665	779,097
Other own revenue	215,973	176,720	194,189	295,264	287,009	287,009	306,500	345,244	391,196
Total Revenue (excluding capital transfers and contributions)	1,507,635	1,535,855	1,757,432	2,157,452	2,147,187	2,147,187	2,370,712	2,598,755	2,867,658
Employee costs	418,218	462,997	520,903	546,092	543,953	543,953	582,030	629,756	679,507
Remuneration of councillors	20,925	25,892	27,887	29,411	29,510	29,510	31,457	33,408	35,379
Depreciation & asset impairment	240,802	221,993	225,835	191,056	226,375	226,375	249,592	259,575	269,958
Finance charges	46,639	52,722	58,088	54,340	54,340	54,340	45,964	43,612	41,309
Materials and bulk purchases	419,565	437,831	480,295	577,132	573,978	573,978	634,469	693,727	758,353
Transfers and grants	25,874	23,707	26,833	150,239	158,411	158,411	159,048	169,678	180,678
Other expenditure	623,529	653,242	775,034	633,275	698,291	698,291	727,130	724,978	769,370
Total Expenditure	1,795,551	1,878,384	2,114,874	2,181,545	2,284,859	2,284,859	2,429,690	2,554,734	2,734,554
Surplus/(Deficit)	(287,916)	(342,529)	(357,442)	(24,093)	(137,672)	(137,672)	(58,977)	44,021	133,104
Transfers recognised - capital	168,277	170,643	409,221	406,592	599,492	599,492	494,013	503,191	512,893
Contributions recognised - capital & contributed	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(119,639)	(171,886)	51,778	382,499	461,820	461,820	435,035	547,212	645,997
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	(119,639)	(171,886)	51,778	382,499	461,820	461,820	435,035	547,212	645,997
Capital expenditure & funds sources									
Capital expenditure	237,412	230,847	515,942	582,416	807,538	807,538	626,955	654,252	685,065
Transfers recognised - capital	163,788	176,109	432,539	436,592	588,569	588,569	494,013	503,191	512,893
Public contributions & donations	3,904	4,072	3,664	3,058	6,058	6,058	4,723	12,000	7,500
Borrowing	28,497	15,044	40,520	35,280	47,785	47,785	—	—	—
Internally generated funds	41,223	35,622	39,219	107,486	165,127	165,127	128,220	139,061	164,672
Total sources of capital funds	237,412	230,847	515,942	582,416	807,538	807,538	626,955	654,252	685,065
Financial position									
Total current assets	189,657	279,661	361,834	416,433	437,230	437,230	431,930	600,615	851,315
Total non current assets	5,487,244	5,505,817	5,762,520	5,894,451	5,595,705	5,595,705	5,972,420	6,366,505	6,781,080
Total current liabilities	668,456	842,239	1,114,662	405,105	453,304	453,304	393,155	413,370	432,918
Total non current liabilities	411,415	485,594	536,195	639,573	644,314	644,314	640,843	636,186	635,916
Community wealth/Equity	4,597,030	4,457,644	4,473,497	5,266,208	4,935,317	4,935,317	5,370,352	5,917,564	6,563,561
Cash flows									
Net cash from (used) operating	237,553	267,046	469,678	673,088	645,086	645,086	702,468	824,629	933,797
Net cash from (used) investing	(236,531)	(226,517)	(506,830)	(578,026)	(600,330)	(600,330)	(626,955)	(654,252)	(685,065)
Net cash from (used) financing	(17,256)	36,026	35,883	25,889	30,206	30,206	(21,203)	(20,410)	(21,596)
Cash/cash equivalents at the year end	19,558	96,112	94,844	274,737	169,805	169,805	224,116	374,082	601,218
Cash backing/surplus reconciliation									
Cash and investments available	33,255	110,496	110,030	291,779	186,847	186,847	242,013	392,878	620,958
Application of cash and investments	490,034	652,439	812,888	235,048	173,317	173,317	173,683	172,549	174,268
Balance - surplus (shortfall)	(456,779)	(541,943)	(702,857)	56,731	13,530	13,530	68,331	220,329	446,690
Asset management									
Asset register summary (WDV)	5,473,075	5,490,998	5,689,918	5,877,001	5,578,663	5,578,663	5,954,522	6,347,709	6,761,341
Depreciation & asset impairment	240,802	221,993	225,835	191,056	226,375	226,375	249,592	259,575	269,958
Renewal of Existing Assets	74,389	69,523	231,137	276,420	485,420	485,420	319,713	363,157	384,272
Repairs and Maintenance	133,783	155,117	183,926	207,055	207,055	207,055	230,908	248,745	267,659
Free services									
Cost of Free Basic Services provided	49,604	52,633	118,651	150,239	158,411	158,411	159,048	169,678	180,678
Revenue cost of free services provided	151,770	160,823	187,252	199,384	199,384	199,384	215,904	231,887	251,719
Households below minimum service level									
Water:	21	21	22	23	23	23	24	26	27
Sanitation/sewerage:	15	15	15	16	16	16	17	18	19
Energy:	16	17	17	18	18	18	19	20	21
Refuse:	115	118	122	128	128	128	134	141	148

Explanatory notes to Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - (a) The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - (b) Capital expenditure is balanced by capital funding sources, of which;
 - (i) Transfers recognised are reflected on the Financial Performance Budget;
 - (ii) Borrowing is incorporated in the net cash from financing on the Cash Flow Budget; and
 - (iii) Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows positive cash balance which means that the municipalities' obligation will be met for the rest of the MTREF after considering its application of cash and investments.
5. The section of Free Services shows that the amount spent on Free Basic Services by the municipality continues to increase while the revenue cost continues to decrease for the MTREF.

MP322 Mbombela - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		700,309	736,429	827,117	974,388	974,369	974,369	999,170	1,084,473	1,190,868
Executive and council		1,734	2,568	3,919	37	37	37	39	42	44
Budget and treasury office		653,993	694,581	816,978	963,496	965,229	965,229	989,573	1,074,300	1,180,187
Corporate services		44,582	39,279	6,221	10,854	9,102	9,102	9,557	10,131	10,637
<i>Community and public safety</i>		47,432	31,221	44,413	32,870	38,007	38,007	39,908	42,302	44,417
Community and social services		1,199	7,253	847	996	996	996	1,046	1,108	1,164
Sport and recreation		41,238	10,361	13,712	16,040	12,474	12,474	13,098	13,884	14,578
Public safety		3,962	13,607	23,605	15,834	24,537	24,537	25,764	27,310	28,675
Housing		1,000	-	6,249	-	-	-	-	-	-
Health		32	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		249,035	191,112	461,280	553,193	730,711	730,711	735,894	817,816	927,135
Planning and development		4,847	4,877	6,173	7,194	7,194	7,194	7,553	8,006	8,407
Road transport		244,188	186,234	455,107	546,000	723,517	723,517	728,340	809,810	918,728
Environmental protection		-	1	0	-	-	-	-	-	-
<i>Trading services</i>		679,135	747,736	833,842	1,003,592	1,003,592	1,003,592	1,089,753	1,157,355	1,218,132
Electricity		547,081	608,772	678,146	769,732	769,732	769,732	844,200	897,069	944,831
Water		48,821	49,063	58,296	125,429	125,429	125,429	131,700	139,602	146,583
Waste water management		18,053	19,413	20,057	16,549	16,549	16,549	17,376	18,419	19,340
Waste management		65,179	70,489	77,344	91,883	91,883	91,883	96,477	102,265	107,379
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	1,675,912	1,706,498	2,166,652	2,564,044	2,746,679	2,746,679	2,864,725	3,101,946	3,380,551
Expenditure - Standard										
<i>Governance and administration</i>		417,534	535,694	527,114	548,265	551,506	551,506	568,051	585,093	608,496
Executive and council		108,464	147,397	104,318	191,998	222,605	222,605	229,283	236,162	245,608
Budget and treasury office		123,597	114,357	126,307	132,242	132,315	132,315	136,285	140,373	145,988
Corporate services		185,473	273,940	296,489	224,025	196,586	196,586	202,483	208,558	216,900
<i>Community and public safety</i>		313,724	309,776	350,553	312,032	335,144	335,144	345,198	355,554	369,776
Community and social services		29,604	31,211	36,897	33,176	33,176	33,176	34,171	35,197	36,604
Sport and recreation		206,212	177,951	189,522	168,318	172,417	172,417	177,590	182,917	190,234
Public safety		69,309	94,837	115,513	97,366	116,379	116,379	119,871	123,467	128,405
Housing		4,536	5,496	8,259	13,171	13,171	13,171	13,567	13,974	14,533
Health		4,064	280	362	-	-	-	-	-	-
<i>Economic and environmental services</i>		239,643	185,956	283,080	345,799	368,014	368,014	455,340	521,153	619,630
Planning and development		38,159	32,448	39,927	59,350	46,526	46,526	47,922	49,360	51,334
Road transport		195,680	150,304	239,392	283,541	318,579	318,579	404,422	468,708	565,087
Environmental protection		5,804	3,203	3,761	2,909	2,909	2,909	2,996	3,086	3,209
<i>Trading services</i>		821,373	843,807	952,366	970,560	1,025,306	1,025,306	1,056,065	1,087,747	1,131,257
Electricity		501,249	522,353	578,636	575,534	595,491	595,491	613,355	631,756	657,026
Water		104,072	138,030	152,472	215,073	237,224	237,224	244,341	251,671	261,738
Waste water management		107,606	60,368	79,191	28,631	27,131	27,131	27,945	28,783	29,934
Waste management		108,446	123,056	142,068	151,322	165,460	165,460	170,424	175,537	182,558
<i>Other</i>	4	3,277	3,151	1,761	4,889	4,889	4,889	5,035	5,186	5,394
Total Expenditure - Standard	3	1,795,551	1,878,384	2,114,874	2,181,545	2,284,859	2,284,859	2,429,690	2,554,734	2,734,554
Surplus/(Deficit) for the year		(119,639)	(171,886)	51,778	382,499	461,820	461,820	435,035	547,212	645,997

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in

terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

- Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and it does balance to the operating revenue shown on Table A4.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case on Water, Waste water functions and the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

MP322 Mbombela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Revenue by Vote	1									
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		18	-	6	7	7	7	7	7	8
Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUP		-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		14,199	5,332	6,181	10,529	10,529	10,529	10,845	11,171	11,506
Vote 5 - FINANCIAL SERVICES		633,156	665,179	752,067	955,707	959,167	959,167	987,942	1,017,581	1,048,108
Vote 6 - CORPORATE SERVICES		1,395	2,595	833	1,563	1,563	1,563	1,610	1,658	1,708
Vote 7 - COMMUNITY SERVICES		200,471	196,138	109,148	380,806	375,723	375,723	386,995	398,605	410,563
Vote 8 - CITY PLANNING AND DEVELOPMENT		6,184	8,045	16,232	14,826	14,826	14,826	15,271	15,729	16,201
Vote 9 - WATER & SANITATION		55,197	67,502	71,173	131,448	200,641	200,641	206,660	212,860	219,245
Vote 10 - INFRASTRUCTURE DEVELOPMENT		765,291	761,707	1,211,013	1,069,157	1,184,222	1,184,222	1,255,394	1,444,336	1,673,213
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,675,912	1,706,498	2,166,652	2,564,044	2,746,679	2,746,679	2,864,725	3,101,946	3,380,551
Expenditure by Vote to be appropriated	1									
Vote 1 - COUNCIL		23,850	42,358	44,945	46,363	52,727	52,727	54,308	56,481	58,175
Vote 2 - COUNCIL SUPPORT		14,393	19,157	17,807	18,767	19,394	19,394	19,975	20,774	21,398
Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUP		12,850	14,445	21,408	24,576	25,868	25,868	26,644	27,710	28,541
Vote 4 - MUNICIPAL MANAGER		33,293	49,700	58,700	61,939	95,371	95,371	98,232	102,162	105,227
Vote 5 - FINANCIAL SERVICES		213,833	107,711	120,878	148,873	140,210	140,210	144,416	150,193	154,699
Vote 6 - CORPORATE SERVICES		63,800	117,885	125,561	178,138	134,852	134,852	138,897	144,453	148,787
Vote 7 - COMMUNITY SERVICES		451,547	561,970	556,300	553,597	580,732	580,732	598,154	622,080	640,743
Vote 8 - CITY PLANNING AND DEVELOPMENT		50,911	28,696	54,311	77,609	64,552	64,552	66,489	69,148	71,223
Vote 9 - WATER & SANITATION		197,906	218,133	265,583	274,867	308,192	308,192	317,437	330,135	340,039
Vote 10 - INFRASTRUCTURE DEVELOPMENT		733,169	718,328	849,382	796,816	862,961	862,961	965,135	1,031,597	1,165,723
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,795,551	1,878,384	2,114,874	2,181,545	2,284,859	2,284,859	2,429,690	2,554,734	2,734,554
Surplus/(Deficit) for the year	2	(119,639)	(171,886)	51,778	382,499	461,820	461,820	435,035	547,212	645,997

Explanatory notes Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the

organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table A4 - Budgeted Financial Performance revenue and Expenditure

MP322 Mbombela - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue By Source										
Property rates	2	274,262	290,608	335,674	374,063	374,063	374,063	408,085	433,386	460,256
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	536,399	600,817	665,203	765,628	765,628	765,628	864,397	933,549	1,008,233
Service charges - water revenue	2	24,667	27,482	30,319	42,890	42,890	42,890	58,759	79,324	107,088
Service charges - sanitation revenue	2	15,134	15,874	18,846	16,548	16,548	16,548	13,570	11,127	9,124
Service charges - refuse revenue	2	59,029	65,066	72,450	78,870	78,870	78,870	85,935	92,997	100,946
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		18,266	18,592	22,516	28,061	24,494	24,494	27,434	30,726	34,413
Interest earned - external investments				7,935	9,475	8,341	8,341	9,342	10,463	11,718
Interest earned - outstanding debtors		18,278	26,495	8,832	8,447	10,438	10,438	11,690	13,093	14,664
Dividends received		-	-	-	-	-	-	-	-	-
Fines		16,685	15,327	23,597	15,811	24,514	24,514	27,455	30,750	34,440
Licences and permits		21	-	1	2	2,533	2,533	2,837	3,177	3,558
Agency services		24,835	28,456	30,593	164,589	146,675	146,675	171,513	197,155	226,633
Transfers recognised - operational		382,171	359,287	432,816	574,714	573,838	573,838	624,125	692,665	779,097
Other revenue	2	137,889	87,850	106,920	73,964	73,964	73,964	65,570	70,343	77,488
Gains on disposal of PPE		-	-	1,731	4,390	4,390	4,390	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,507,635	1,535,855	1,757,432	2,157,452	2,147,187	2,147,187	2,370,712	2,598,755	2,867,658
Expenditure By Type										
Employee related costs	2	418,218	462,997	520,903	546,092	543,953	543,953	582,030	629,756	679,507
Remuneration of councillors		20,925	25,892	27,887	29,411	29,510	29,510	31,457	33,408	35,379
Debt impairment	3	81,140	48,539	88,515	74,574	79,311	79,311	119,521	101,371	110,769
Depreciation & asset impairment	2	240,802	221,993	225,835	191,056	226,375	226,375	249,592	259,575	269,958
Finance charges		46,639	52,722	58,088	54,340	54,340	54,340	45,964	43,612	41,309
Bulk purchases	2	419,565	437,831	480,295	527,570	526,615	526,615	583,487	638,952	699,612
Other materials	8	-	-	-	49,561	47,363	47,363	50,982	54,775	58,741
Contracted services		206,545	260,957	331,595	334,054	389,759	389,759	378,002	386,004	405,593
Transfers and grants		25,874	23,707	26,833	150,239	158,411	158,411	159,048	169,678	180,678
Other expenditure	4, 5	334,844	343,719	354,923	224,647	229,222	229,222	229,606	237,603	253,008
Loss on disposal of PPE		1,001	28	-	-	-	-	-	-	-
Total Expenditure		1,795,551	1,878,384	2,114,874	2,181,545	2,284,859	2,284,859	2,429,690	2,554,734	2,734,554
Surplus/(Deficit)		(287,916)	(342,529)	(357,442)	(24,093)	(137,672)	(137,672)	(58,977)	44,021	133,104
Transfers recognised - capital		168,277	170,643	409,221	406,592	599,492	599,492	494,013	503,191	512,893
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(119,639)	(171,886)	51,778	382,499	461,820	461,820	435,035	547,212	645,997
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(119,639)	(171,886)	51,778	382,499	461,820	461,820	435,035	547,212	645,997
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(119,639)	(171,886)	51,778	382,499	461,820	461,820	435,035	547,212	645,997
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(119,639)	(171,886)	51,778	382,499	461,820	461,820	435,035	547,212	645,997

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

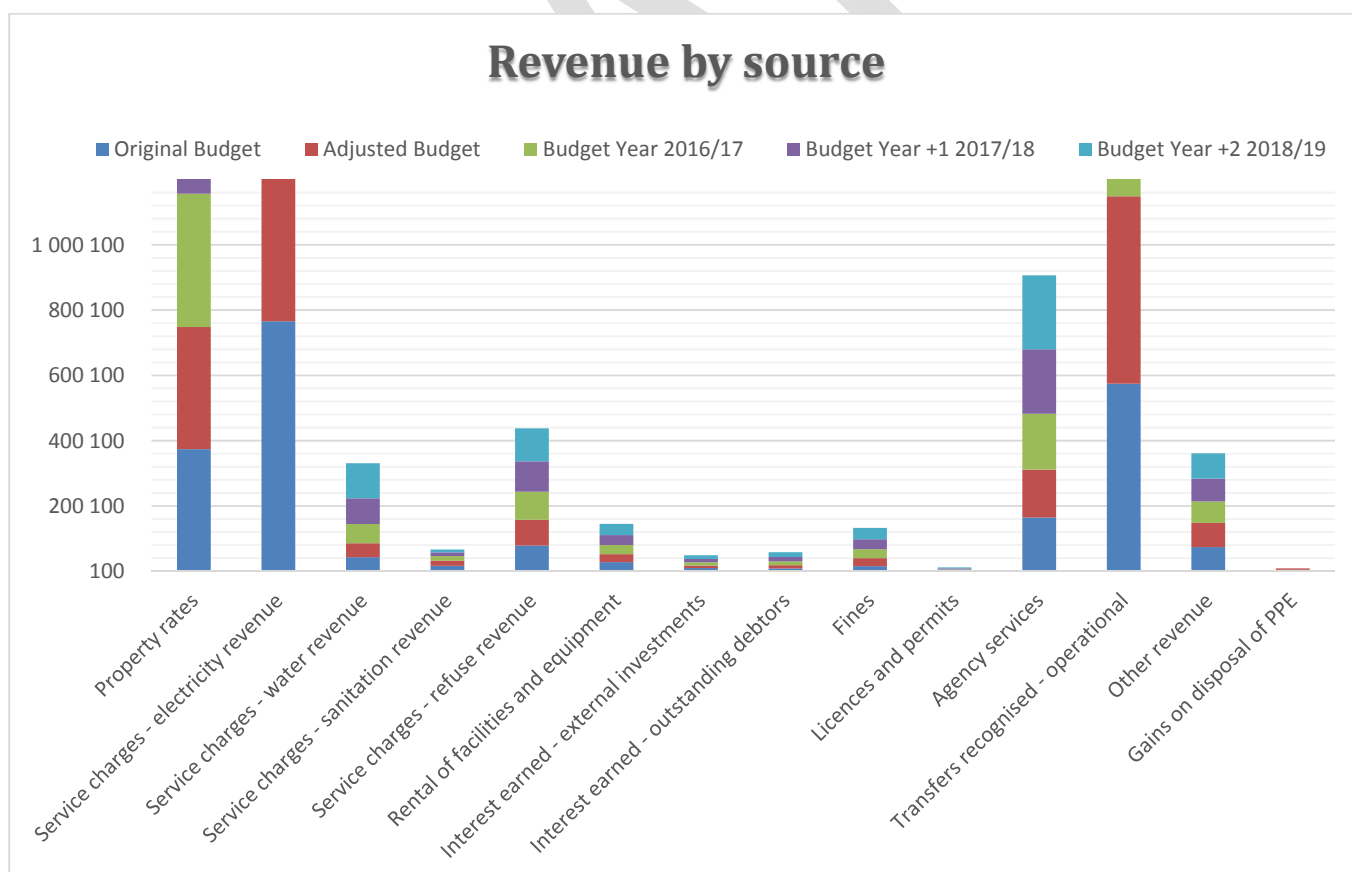
The municipality will receive significant portion of its revenue from service charge (electricity, water, sewerage and refuse removal services) amounting to R 1 023 billion indicating an increase of R 119 million nine (13 percent) in 2016/2017 financial year and increases to R1 225 billion over the medium-term. The revenue from service charge makes up 43 percent of the operating revenue budget.

The revenue from property rates will amount to R408 million after taking into account income forgone due to rates rebates in terms of the rates policy amounting to R180 million in 2016/2017 financial year and increases to R460 million over the medium-term. The property rates revenue contributes about 17 percent of the total operating revenue budget.

Operating grants allocation comprising of equitable share and other small grants contributes 26 percent to the total operating revenue budget and will amount to R 624 million in 2016/2017 financial year and increases to R779 million over the medium-term

The other revenue amounts to R316 million indicating an increase of R11 million (4 percent). The other revenue comprise of revenue from agency fees of R174 million, interest from outstanding debtors and investments of R21 million, rental of municipal properties and facilities of R27 million and sundry income of R66 million. The other revenue contributes about 13 percent of the total operating revenue budget.

In conclusion, the graphic illustration the main revenue streams of the municipality is as follows;



The employees' remuneration cost will amount to R582 million in 2016/2017 financial year due to an annual increase of 6 percent million and 1 percent is allocated for filling of critical vacant positions. The employee cost to the total operating expenditure budget is 24 percent. The employees remuneration cost will increase to R680 million in 2018/2019 financial year and the expenditure to the total operating budget will be 25 percent.

The bulk purchase expenditure is mainly expenditure for bulk electricity purchase from Eskom and bulk water purchase and will increase to R583 million due to an average increase of 7,86 percent granted to Eskom by the National Energy Regulator of South Africa, the increase will come into effect from 01 July 2016 and bulk water increase of 7,5 percent The bulk purchase expenditure make up 24 per cent of the total operating expenditure budget.

The depreciation cost will be R250 million make up 10 percent of the total operating expenditure and is about 4 percent of the total assets carrying value of R5 955 billion. The depreciation costs represent the rate at which the assets of the municipality are utilized in rendering services and therefore the cost should be provided for/included on the budget to ensure the current ratepayers and users of the municipal services are able to contribute towards the refurbishment, upgrade and renewal of the assets.

The cost curtailment measures has been applied in line with the National Government directives on contracted and other expenditure. The cost curtailment will result in reprotisation and reducing the expenditure by R85 million (15 per cent) over the medium-term. The contracted services and expenditure will decrease by R12 million to R608 million in 2016/2017 and make up 25 per cent of the total operating expenditure budget.

Included on this expenditure items is IDP operating projects amounting to R212 million in 2016/2017 financial year and increase to R224 million in 2018/2019 financial year. The breakdown of the total expenditure for operating projects per municipal development priorities is as tabulated below, detailed list of operating projects is attached as **Annexure 29/2016**;

The municipality has allocated an amount of R159 million in the 2016/2017 financial year for provision of free basic services. The following free basic services will be provided in accordance with the criteria set on the indigent policy of the municipality and the table indicates the detailed breakdown of the free basic services.

MP322 Mbombela - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Capital expenditure - Vote										
Multi-year expenditure - to be appropriated	2									
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	-	2,000	1,600	1,600	-	-	-
Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUPPORT		-	-	404	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		8,740	-	1,549	5,951	21,674	21,674	9,466	12,674	27,167
Vote 5 - FINANCIAL SERVICES		813	-	3,722	5,239	8,835	8,835	11,324	13,000	9,491
Vote 6 - CORPORATE SERVICES		4,951	11,080	3,275	9,050	14,949	14,949	7,900	7,500	16,850
Vote 7 - COMMUNITY SERVICES		15,004	6,072	6,978	25,792	32,544	32,544	24,200	31,771	38,859
Vote 8 - CITY PLANNING AND DEVELOPMENT		2,977	9,097	5,410	25,570	67,906	67,906	55,424	64,539	56,290
Vote 9 - WATER & SANITATION		12,193	4,489	19,785	70,033	125,400	125,400	172,689	222,201	245,835
Vote 10 - INFRASTRUCTURE DEVELOPMENT		186,645	191,753	257,396	187,395	142,049	142,049	190,378	302,568	290,574
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	231,322	222,490	298,519	331,031	414,957	414,957	471,381	654,252	685,065
Single-year expenditure - to be appropriated	2									
Vote 1 - COUNCIL		-	-	465	1,100	1,230	1,230	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	551	-	-	-	-	-	-
Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUPPORT		-	29	76	-	28	28	-	-	-
Vote 4 - MUNICIPAL MANAGER		361	15	2,407	1,835	1,235	1,235	500	-	-
Vote 5 - FINANCIAL SERVICES		389	945	3,480	1,700	158	158	500	-	-
Vote 6 - CORPORATE SERVICES		553	3	2,276	500	517	517	-	-	-
Vote 7 - COMMUNITY SERVICES		713	396	13,673	4,151	2,318	2,318	2,420	-	-
Vote 8 - CITY PLANNING AND DEVELOPMENT		618	-	2,563	1,570	1,069	1,069	-	-	-
Vote 9 - WATER & SANITATION		1,304	-	6,237	76,976	39,091	39,091	24,500	-	-
Vote 10 - INFRASTRUCTURE DEVELOPMENT		2,153	6,858	185,695	163,555	346,936	346,936	127,654	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		6,090	8,246	217,423	251,386	392,581	392,581	155,574	-	-
Total Capital Expenditure - Vote		237,412	230,736	515,942	582,416	807,538	807,538	626,955	654,252	685,065
Capital Expenditure - Standard										
<i>Governance and administration</i>		55,089	72,747	52,550	23,167	41,972	41,972	29,166	33,174	53,508
Executive and council		5,293	1,555	2,167	8,328	19,551	19,551	9,466	12,674	27,167
Budget and treasury office		-	1,575	8,303	6,939	9,398	9,398	11,800	13,000	9,491
Corporate services		49,796	69,617	42,081	7,900	13,024	13,024	7,900	7,500	16,850
<i>Community and public safety</i>		15,759	9,744	16,940	41,543	68,916	68,916	30,996	29,300	21,447
Community and social services		7,488	2,618	5,289	15,919	26,939	26,939	8,980	5,970	9,947
Sport and recreation		7,311	5,743	1,060	15,525	23,148	23,148	10,026	10,500	500
Public safety		15	1,383	10,162	10,100	18,830	18,830	9,990	9,830	7,000
Housing		945	-	430	-	-	-	2,000	3,000	4,000
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		96,613	100,006	302,444	201,482	301,770	301,770	319,825	328,753	338,407
Planning and development		1,912	7,491	5,681	27,140	26,265	26,265	9,500	9,320	9,447
Road transport		94,701	92,515	296,763	174,342	275,504	275,504	310,325	319,433	328,959
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		69,213	47,477	143,882	316,223	394,880	394,880	246,708	261,993	270,685
Electricity		4,734	8,821	8,594	31,823	26,777	26,777	28,593	25,158	13,947
Water		36,945	31,495	117,850	238,277	328,500	328,500	168,590	194,807	207,142
Waste water management		27,534	6,793	11,135	34,223	29,423	29,423	41,875	26,557	28,184
Waste management		-	368	6,303	11,900	10,180	10,180	7,650	15,471	21,412
<i>Other</i>		737	873	126	-	-	-	260	1,033	1,019
Total Capital Expenditure - Standard	3	237,412	230,847	515,942	582,416	807,538	807,538	626,955	654,252	685,065
Funded by:										
National Government		163,788	176,109	427,415	406,592	524,501	524,501	494,013	503,191	512,893
Provincial Government		-	-	5,124	30,000	64,068	64,068	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	163,788	176,109	432,539	436,592	588,569	588,569	494,013	503,191	512,893
Public contributions & donations	5	3,904	4,072	3,664	3,058	6,058	6,058	4,723	12,000	7,500
Borrowing	6	28,497	15,044	40,520	35,280	47,785	47,785	-	-	-
Internally generated funds		41,223	35,622	39,219	107,486	165,127	165,127	128,220	139,061	164,672
Total Capital Funding	7	237,412	230,847	515,942	582,416	807,538	807,538	626,955	654,252	685,065

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. R627 million has been allocated for 2016/2017 and an increase in 2018/2019 amounting to R685 million.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital program is funded from national and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds the availability of internal reserves will depend largely on collection of outstanding debts. For 2016/2017, capital grants totals R494 million, increase to R503 million by 2017/2018 and a further increase to R513 million by 2018/2019. No borrowing anticipated due to the dwindling economy in 2016/2017 with internally generated funding totaling R128 million, R139 million and R165 million for each of the respective financial years of the MTREF.
5. The allocation of the capital funding on projects was based on the municipal priorities informed by the public participation and consultative process conducted during the review of the Integrated Development Plan (IDP).
6. The municipality will be spending in the next three years R1 348 billion (69 percent) of the total capital expenditure budget) on services infrastructure development to address backlogs.

MP322 Mbombela - Table A6 Budgeted Financial Position											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS											
Current assets											
Cash		19,558	96,112	94,844	274,737	169,805	169,805	169,805	224,116	374,082	601,218
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	111,477	106,211	169,028	119,818	163,825	163,825	163,825	107,306	116,279	126,424
Other debtors		38,460	56,729	73,437	–	73,840	73,840	73,840	70,450	79,895	93,012
Current portion of long-term receivables		18	38	26	–	–	–	–	–	–	–
Inventory	2	20,144	20,570	24,498	21,878	29,760	29,760	29,760	30,058	30,358	30,662
Total current assets		189,657	279,661	361,834	416,433	437,230	437,230	437,230	431,930	600,615	851,315
Non current assets											
Long-term receivables		473	434	55,701	409	–	–	–	–	–	–
Investments		13,696	14,384	15,186	17,042	17,042	17,042	17,042	17,897	18,796	19,739
Investment property		336,361	334,168	331,262	288,554	188,554	188,554	188,554	187,234	185,924	184,622
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	5,131,021	5,151,359	5,352,312	5,582,670	5,383,955	5,383,955	5,383,955	5,761,319	6,155,996	6,571,102
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		5,694	5,472	6,344	5,777	6,153	6,153	6,153	5,969	5,790	5,616
Other non-current assets		–	–	1,716	–	–	–	–	–	–	–
Total non current assets		5,487,244	5,505,817	5,762,520	5,894,451	5,595,705	5,595,705	5,595,705	5,972,420	6,366,505	6,781,080
TOTAL ASSETS		5,676,901	5,785,477	6,124,354	6,310,885	6,032,935	6,032,935	6,032,935	6,404,350	6,967,120	7,632,396
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	14,260	16,017	21,812	18,600	21,158	21,158	21,158	20,410	21,596	17,209
Consumer deposits		19,818	22,262	24,160	22,935	24,402	24,402	24,402	24,646	24,892	25,141
Trade and other payables	4	623,103	799,321	1,064,595	355,793	397,314	397,314	397,314	338,014	356,877	380,450
Provisions		11,276	4,639	4,095	7,777	10,430	10,430	10,430	10,085	10,004	10,118
Total current liabilities		668,456	842,239	1,114,662	405,105	453,304	453,304	453,304	393,155	413,370	432,918
Non current liabilities											
Borrowing		189,428	226,517	255,626	339,393	307,643	307,643	307,643	287,233	265,637	248,428
Provisions		221,987	259,077	280,569	300,179	336,671	336,671	336,671	353,610	370,549	387,488
Total non current liabilities		411,415	485,594	536,195	639,573	644,314	644,314	644,314	640,843	636,186	635,916
TOTAL LIABILITIES		1,079,871	1,327,833	1,650,857	1,044,677	1,097,618	1,097,618	1,097,618	1,033,998	1,049,556	1,068,834
NET ASSETS	5	4,597,030	4,457,644	4,473,497	5,266,208	4,935,317	4,935,317	4,935,317	5,370,352	5,917,564	6,563,561
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		4,597,030	4,457,644	4,473,497	5,266,208	4,935,317	4,935,317	4,935,317	5,370,352	5,917,564	6,563,561
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	4,597,030	4,457,644	4,473,497	5,266,208	4,935,317	4,935,317	4,935,317	5,370,352	5,917,564	6,563,561

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table SA3 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

MP322 Mbombela - Table A7 Budgeted Cash Flows											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		270,165	293,467	312,166	354,648	354,648	354,648	354,648	375,934	407,250	431,824
Service charges		634,720	726,037	767,560	949,232	863,418	863,418	863,418	948,995	1,057,112	1,160,245
Other revenue		46,608	38,293	30,336	271,752	252,803	252,803	252,803	281,104	316,801	359,340
Government - operating	1	327,061	359,287	994,259	471,502	459,402	459,402	459,402	624,125	692,665	779,097
Government - capital	1	325,620	376,805		509,804	589,783	589,783	589,783	494,013	503,191	512,893
Interest		3,246	3,714	7,447	17,922	18,779	18,779	18,779	21,032	23,556	26,383
Dividends		-	-		-	-	-	-	-	-	-
Payments											
Suppliers and employees		(1,313,807)	(1,468,220)	(1,586,411)	(1,711,535)	(1,766,422)	(1,766,422)	(1,766,422)	(1,855,565)	(1,980,497)	(2,131,840)
Finance charges		(30,186)	(38,631)	(28,846)	(40,199)	(40,199)	(40,199)	(40,199)	(28,122)	(25,770)	(23,467)
Transfers and Grants	1	(25,874)	(23,707)	(26,833)	(150,039)	(87,126)	(87,126)	(87,126)	(159,048)	(169,678)	(180,678)
NET CASH FROM/(USED) OPERATING ACTIVITIES		237,553	267,046	469,678	673,088	645,086	645,086	645,086	702,468	824,629	933,797
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		315	3,690	3,414	4,390	4,390	4,390	4,390	-	-	-
Decrease (Increase) in non-current debtors		-	-	7,049	-	55,303	55,303	55,303	-	-	-
Decrease (increase) other non-current receivables		(51)	18	-	-	147,515	147,515	147,515	-	-	-
Decrease (increase) in non-current investments		(63)	(688)	(802)	-	-	-	-	-	-	-
Payments											
Capital assets		(236,733)	(229,537)	(516,490)	(582,416)	(807,538)	(807,538)	(807,538)	(626,955)	(654,252)	(685,065)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(236,531)	(226,517)	(506,830)	(578,026)	(600,330)	(600,330)	(600,330)	(626,955)	(654,252)	(685,065)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		15,272	51,791	56,391	44,490	52,018	52,018	52,018	-	-	-
Increase (decrease) in consumer deposits		-	-	(469)	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(32,528)	(15,766)	(20,039)	(18,600)	(21,812)	(21,812)	(21,812)	(21,203)	(20,410)	(21,596)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(17,256)	36,026	35,883	25,889	30,206	30,206	30,206	(21,203)	(20,410)	(21,596)
NET INCREASE/ (DECREASE) IN CASH HELD		(16,234)	76,554	(1,268)	120,951	74,961	74,961	74,961	54,310	149,966	227,136
Cash/cash equivalents at the year begin:	2	35,792	19,558	96,112	153,786	94,844	94,844	94,844	169,805	224,116	374,082
Cash/cash equivalents at the year end:	2	19,558	96,112	94,844	274,737	169,805	169,805	169,805	224,116	374,082	601,218

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2016/2017 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. The above table reflects that the municipality will be able to improve its cash flow position from R170 million in 2015/2016 (32 percent) to R224 million in 2016/2017 and increases to R601 million in 2018/2019 financial year.

5. The cash inflows will be generated from operating activities amounting to R2 745 billion and no allocation for financing activities due to the economic downturn.
6. The cash received will be utilised for operating activities amounting to R2 043 billion, investing (capital expenditure) activities amounting to R627 million and financing activities (repayment of borrowings) amounting to R21 million.

MP322 Mbombela - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	1	19,558	96,112	94,844	274,737	169,805	169,805	224,116	374,082	601,218
Other current investments > 90 days		0	0	0	-	0	0	-	(0)	-
Non current assets - Investments	1	13,696	14,384	15,186	17,042	17,042	17,042	17,897	18,796	19,739
Cash and investments available:		33,255	110,496	110,030	291,779	186,847	186,847	242,013	392,878	620,958
Application of cash and investments										
Unspent conditional transfers		138,521	295,056	384,996	142,233	34,991	34,991	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2									
Other working capital requirements	3	351,513	357,384	427,891	92,815	138,326	138,326	173,683	172,549	174,268
Other provisions										
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5									
Total Application of cash and investments:		490,034	652,439	812,888	235,048	173,317	173,317	173,683	172,549	174,268
Surplus(shortfall)		(456,779)	(541,943)	(702,857)	56,731	13,530	13,530	68,331	220,329	446,690

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2014/2015 MTREF was not funded owing to the significant deficit.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2016/2017 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
7. As can be seen the budget has been modeled to progressively move from a small surplus of R14 million in 2016/2017 to a huge surplus of R447 million by 2018/2019.

MP322 Mbombela - Table A9 Asset Management

MP322 Mbombela - Table A9 Asset Management										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CAPITAL EXPENDITURE										
Total New Assets	1	163,023	161,212	284,805	305,996	322,119	322,119	307,242	291,096	300,793
Infrastructure - Road transport		90,842	83,846	135,446	110,587	108,387	108,387	184,922	172,097	150,347
Infrastructure - Electricity		2,851	4,068	4,755	8,459	8,459	8,459	16,994	25,158	13,947
Infrastructure - Water		27,079	36,234	96,476	89,050	92,905	92,905	11,547	10,677	28,500
Infrastructure - Sanitation		20,146	16,733	6,267	9,700	12,348	12,348	26,629	11,657	20,184
Infrastructure - Other		1,802	2,840	9,628	5,600	5,600	5,600	1,650	3,050	3,605
Infrastructure		142,720	143,721	252,572	223,396	227,700	227,700	241,742	222,638	216,583
Community		17,361	6,660	3,603	25,702	35,720	35,720	7,920	10,380	5,000
Heritage assets		367	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	859	7,221	24,168	38,510	40,311	40,311	50,406	54,477	76,496
Agricultural Assets		1,716	179	544	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	3,431	3,919	18,388	18,388	18,388	7,174	3,601	2,714
Total Renewal of Existing Assets	2	74,389	69,523	231,137	276,420	485,420	485,420	319,713	363,157	384,272
Infrastructure - Road transport		35,657	24,202	171,733	67,498	167,661	167,661	123,004	145,686	178,312
Infrastructure - Electricity		1,288	4,753	5,184	20,280	15,234	15,234	11,598	-	-
Infrastructure - Water		27,044	12,946	35,639	149,227	227,212	227,212	146,089	178,131	178,642
Infrastructure - Sanitation		607	2,872	6,233	24,523	28,545	28,545	15,246	14,900	8,000
Infrastructure - Other		2,475	14,436	6,515	500	2,646	2,646	-	-	-
Infrastructure		67,071	59,209	225,303	262,028	441,298	441,298	295,938	338,717	364,954
Community		3,205	919	43	10,042	22,366	22,366	14,876	13,320	5,297
Heritage assets		-	2,127	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	3,691	7,268	2,961	4,350	17,355	17,355	5,900	6,420	2,620
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		422	-	2,829	-	4,400	4,400	3,000	4,700	11,400
Total Capital Expenditure	4									
Infrastructure - Road transport		126,499	108,048	307,179	178,085	276,048	276,048	307,925	317,783	328,659
Infrastructure - Electricity		4,140	8,821	9,938	28,739	23,693	23,693	28,593	25,158	13,947
Infrastructure - Water		54,123	49,181	132,115	238,277	320,117	320,117	157,637	188,807	207,142
Infrastructure - Sanitation		20,753	19,604	12,500	34,223	40,893	40,893	41,875	26,557	28,184
Infrastructure - Other		4,277	17,275	16,143	6,100	8,246	8,246	1,650	3,050	3,605
Infrastructure		209,791	202,930	477,875	485,425	668,997	668,997	537,680	561,355	581,538
Community		20,566	7,580	3,646	35,744	58,087	58,087	22,796	23,700	10,297
Heritage assets		367	2,127	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		4,550	14,490	27,129	42,860	57,666	57,666	56,306	60,897	79,116
Agricultural Assets		1,716	179	544	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		422	3,431	6,747	18,388	22,788	22,788	10,174	8,301	14,114
TOTAL CAPITAL EXPENDITURE - Asset class	2	237,412	230,736	515,942	582,416	807,538	807,538	626,955	654,252	685,065
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	1,194,468	1,266,690	1,461,514	1,355,259	1,355,259	1,355,259	1,681,159	1,760,839	2,164,958
Infrastructure - Electricity		457,058	437,946	423,005	575,573	575,573	575,573	604,166	629,324	643,271
Infrastructure - Water		1,008,664	1,024,261	1,131,457	1,161,003	1,161,003	1,161,003	1,196,326	1,385,134	1,262,813
Infrastructure - Sanitation		610,369	606,058	593,962	698,134	698,134	698,134	740,008	766,565	794,749
Infrastructure - Other		599,413	545,486	612,948	521,539	521,539	521,539	523,189	526,239	529,844
Infrastructure		3,869,972	3,880,441	4,222,885	4,311,507	4,311,507	4,311,507	4,744,848	5,068,701	5,395,635
Community		1,139,535	1,077,715	1,011,795	1,153,530	954,816	954,816	960,165	970,692	979,149
Heritage assets		-	1,481	1,716	1,716	1,716	1,716	-	-	-
Investment properties		336,361	334,168	331,262	288,554	188,554	188,554	187,234	185,924	184,622
Other assets		121,514	191,722	115,916	115,916	115,916	115,916	56,306	117,203	196,319
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		5,694	5,472	6,344	5,777	6,153	6,153	5,969	5,790	5,616
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	5,473,075	5,490,998	5,689,918	5,877,001	5,578,663	5,578,663	5,954,522	6,347,709	6,761,341
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		240,802	221,993	225,835	191,056	226,375	226,375	249,592	259,575	269,958
Repairs and Maintenance by Asset Class	3	133,783	155,117	183,926	207,055	207,055	207,055	230,908	248,745	267,659
Infrastructure - Road transport		49,519	47,803	58,438	59,606	59,606	59,606	75,423	91,053	102,969
Infrastructure - Electricity		25,710	35,373	43,886	44,763	44,763	44,763	55,730	58,672	61,653
Infrastructure - Water		4,227	2,330	6,401	24,901	24,901	24,901	25,995	27,089	28,179
Infrastructure - Sanitation		4,227	2,330	4,286	5,450	5,450	5,450	5,614	5,771	5,921
Infrastructure - Other		847	1,299	3,603	3,675	3,675	3,675	2,211	2,328	2,446
Infrastructure		84,531	89,135	116,613	138,396	138,396	138,396	164,973	184,913	201,168
Community		13,271	13,878	14,140	13,999	13,999	13,999	21,377	16,742	17,067
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	35,981	52,104	53,173	54,661	54,661	54,661	44,558	47,089	49,424
TOTAL EXPENDITURE OTHER ITEMS		374,585	377,110	409,761	398,112	433,431	433,431	480,500	508,320	537,618

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. For the 2016/2017 financial year, 34 percent or (R165 million) of total repairs and maintenance by asset class will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling 16 percent (R75 million), followed by other assets by 12 percent (R56 million), Electricity at 9,27 percent (R45 million), Water at 5 percent (R14 million).

MP322 Mbombela - Table A10 Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
Water:										
Piped water inside dwelling		60,003	61,803	63,657	66,840	66,840	66,840	70,182	73,691	77,376
Piped water inside yard (but not in dwelling)		45,285	46,644	48,043	50,445	50,445	50,445	52,967	55,616	58,396
Using public tap (at least min. service level)	2	35,581	36,648	37,748	39,635	39,635	39,635	41,617	43,698	45,883
Other water supply (at least min. service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		140,869	145,095	149,448	156,920	156,920	156,920	164,766	173,005	181,655
Using public tap (< min. service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min. service level)	4	20,864	21,490	22,135	23,241	23,241	23,241	24,403	25,624	26,905
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		20,864	21,490	22,135	23,241	23,241	23,241	24,403	25,624	26,905
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		45,285	46,644	48,043	50,445	50,445	50,445	52,967	55,616	58,396
Flush toilet (with septic tank)		6,469	6,663	6,863	7,206	7,206	7,206	7,566	7,945	8,342
Chemical toilet		3,235	3,332	3,432	3,604	3,604	3,604	3,784	3,973	4,172
Pit toilet (ventilated)		21,025	21,656	22,305	23,421	23,421	23,421	24,592	25,821	27,112
Other toilet provisions (> min. service level)		71,163	73,298	75,497	79,272	79,272	79,272	83,235	87,397	91,767
<i>Minimum Service Level and Above sub-total</i>		147,177	151,592	156,140	163,947	163,947	163,947	172,144	180,752	189,789
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min. service level)		14,556	14,993	15,442	16,215	16,215	16,215	17,025	17,877	18,770
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		14,556	14,993	15,442	16,215	16,215	16,215	17,025	17,877	18,770
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Energy:										
Electricity (at least min. service level)		145,560	149,927	154,425	162,146	162,146	162,146	170,253	178,766	187,704
Electricity - prepaid (min. service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		145,560	149,927	154,425	162,146	162,146	162,146	170,253	178,766	187,704
Electricity (< min. service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		16,173	16,558	17,158	18,016	18,016	18,016	18,917	19,862	20,856
<i>Below Minimum Service Level sub-total</i>		16,173	16,558	17,158	18,016	18,016	18,016	18,917	19,862	20,856
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Refuse:										
Removed at least once a week		46,903	48,310	49,759	52,247	52,247	52,247	54,860	57,603	60,483
<i>Minimum Service Level and Above sub-total</i>		46,903	48,310	49,759	52,247	52,247	52,247	54,860	57,603	60,483
Removed less frequently than once a week		1,617	1,666	1,715	1,801	1,801	1,801	1,891	1,986	2,085
Using communal refuse dump		3,235	3,332	3,432	3,604	3,604	3,604	3,784	3,973	4,172
Using own refuse dump		97,040	99,951	102,950	108,097	108,097	108,097	113,502	119,177	125,136
Other rubbish disposal		11,321	11,661	12,010	12,611	12,611	12,611	13,242	13,904	14,599
No rubbish disposal		1,617	1,666	1,715	1,801	1,801	1,801	1,891	1,986	2,085
<i>Below Minimum Service Level sub-total</i>		114,630	118,275	121,823	127,914	127,914	127,914	134,310	141,026	148,077
Total number of households	5	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733
Sanitation (free minimum level service)		161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733	161,733
Electricity/other energy (50kwh per household per month)		10,215	10,419	13,446	12,178	12,178	12,178	14,950	14,950	14,950
Refuse (removed at least once a week)		10,215	10,419	13,446	12,178	12,178	12,178	14,950	14,950	14,950
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		39,323	40,109	79,554	87,360	87,360	87,360	89,981	91,780	94,534
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		9,271	9,457	36,030	42,896	42,896	42,896	45,041	45,941	46,860
Refuse (removed once a week for indigent households)		1,010	3,067	3,067	19,983	28,156	28,156	24,027	31,956	39,285
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		49,604	52,633	118,651	150,239	158,411	158,411	159,048	169,678	180,678
Highest level of free service provided per household										
Property rates (R value threshold)		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		127,692	134,785	158,074	168,448	168,448	168,448	180,562	191,757	203,646
Water (in excess of 6 kilolitres per indigent household per month)		10,673	11,528	12,510	12,510	12,510	12,510	17,138	23,137	31,234
Sanitation (in excess of free sanitation service to indigent households)		10,673	11,528	12,510	12,510	12,510	12,510	10,258	8,411	7,570
Electricity/other energy (in excess of 50 kwh per indigent household per month)		2,733	2,982	4,159	5,916	5,916	5,916	7,946	8,582	9,268
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	151,770	160,823	187,252	199,384	199,384	199,384	215,904	231,887	251,719

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. It is anticipated that these Free Basic Services will cost the municipality R159 million in 2016/2017. This is covered by the municipality's equitable share allocation from national government.
2. In addition to the Free Basic Services, the Municipality also 'gives' households R216 million in free services in 2016/2017.

DRAFT

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget process overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 21 August 2015. Key dates applicable to the process were:

(a) Planning Phase

The Mayor tabled in Council the required the IDP and budget time schedule on 21 August 2015 – council resolution (A1). The following process was followed during the review of MLM IDP and Budget for 2016/2017.

(b) Analysis Phase

Community based Planning (CBP) meetings took place during 01 September – 17 November 2015 and the zonal meetings were held on the 19 October 2015. The main aim of the meetings was to report on the municipality performance and achievements of the previous financial year and also to give the communities an opportunity to raise and confirm priority issues that need to be addressed within the next 2015/2016 financial year.

(c) Strategy Phase

Departmental strategic planning sessions were held on the 17 October – 13 November 2015 and a follow up was held on the 23 - 24 February 2016 to refine and confirm the municipal strategic objectives and priorities for 2016/2017 IDP Review based on the community needs as outlined in table below and the national, provincial, district priorities.

The Mayoral Lekgotla) which was attended by Executive, Mayor, Speaker, Chief Whip, MMCs (political office bearers), Chairpersons of Section 79 Oversight Committees, Municipal Manager, General Managers and Senior Managers also reviewed the municipal performance in 2015/2016 and re-confirmed the municipality's IDP development priorities.

(d) Project Phase

On 09 March 2016, the municipality held another Mayoral Lekgotla to identify programs and projects that must be prioritised in the 2016/2017 IDP Review and budget.

(e) Integration Phase

During the finalisation of IDP projects, the municipality has considered programs from sector departments and other governmental parastatals such as ESKOM, and the projects are included in Chapter 6 of the revised 2016 - 2019 IDP, a workshop for councilors was held on the 18 March 2016.

The municipality has approved the Spatial Development Framework (SDF) to guide all the future development, and is in the process of developing and reviewing the key sector plans that will assist in achieving the constitutional obligations. The sector plans amongst others include the Long term strategic plan (Vision 2030), Local Economic Development Strategy, Environmental Management Framework, Integrated Waste Management Plan, Comprehensive Infrastructure Plan and Disaster Management Plan.

(f) Public Participation and consultative process

The public participation and consultative process with regard to the tabled IDP and budget will be held in 5 zonal meetings with local communities from 19 to 21 April 2016, furthermore consultation meetings will be held on the 06, 15 and 18 April 2016 with organized stakeholders such as Troika, Kruger Lowveld Chamber Business and Tourism (KLCBT), NAFCOC, Ratepayers Association and Farmers Association.

The municipality will also have an engagement exercise with National treasury on 13 April 2016 with regards to the 2016/2017 adopted draft IDP and Budget. The exercise will be conducted with the objective of assessing the credibility of IDP and budget tabled by the municipality. Some of the inputs and comments received during the participation will be considered on the finalization of the 2016/2017 budget and some will be considered during the 2017/2018 budget process.

(g) Approval Phase

The draft 2016/2017 IDP and Budget was tabled before council for adoption on the 23 March 2016. The notice on was advertised on local print media on 29 and 31 March 2016. Moreover, the documents are also placed on the municipal website and in all the municipal service Centre's i.e. Nelspruit Civic Centre, White

River Civic Centre, Hazyview Civic Centre, Kabokweni Civic Centre, Kanyamazane Civic Centre and Matsulu Civic Centre on 8 April 2016 for public awareness on the tabled draft IDP and budget.

2.1.2 IDP and service delivery and budget implementation plan

It started in August 2015 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2016/2017 MTREF.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- (a) Registration of community needs;
- (b) Compilation of departmental business plans including key performance indicators and targets;
- (c) Financial planning and budgeting process;
- (d) Public participation process;
- (e) Compilation of the SDBIP, and
- (f) The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/15 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2016/2017 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2015/2016 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial modelling and key planning drivers

As part of the compilation of the 2016/2017 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016/2017 – 2018/2019 annual budget and MTREF:

- (a) Municipality's growth
- (b) Policy priorities and strategic objectives
- (c) Asset maintenance
- (d) Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- (e) Performance trends
- (f) The approved 2015/2016 adjustments budget and performance against the SDBIP
- (g) Cash Flow Management
- (h) Debtor payment levels
- (i) Loan and investment possibilities
- (j) The need for tariff increases versus the ability of the community to pay for services
- (k) Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars in relation to municipal budget process has been taken into consideration in the planning and prioritisation process.

2.1.4 Community consultation

Chapter 4 of the Municipal Systems Act states that municipalities must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must encourage, and create conditions for the local community to participate in the affairs of the municipality including the preparation, implementation and review of its IDP, Budget and Performance Management System. It furthermore states that participation by the local community must take place through Political Structures, Ward Committees and Councilors. In compliance to this, MLM has adopted Public participation policy, Community Based Planning policy and policy on Ward

2.1.5 Committees and participation

The participation of communities is driven through a Ward Committee System managed by the Public Participation Unit in the Office of the Speaker and the IDP Representative Forum. The central role of Ward Committees is to facilitate local community participation in decisions which affect the local community, to articulate local community interests and to represent these interests within the municipal governing structures. MLM's public participation process comprises of registration of ward needs, specific Ward Imbizo(s) and participation sessions and comments on the IDP.

Key to the participation process is a Needs Database developed per ward and managed by the Office of the Executive Mayor and Municipal Manager through the Corporate Strategy (IDP Unit). This database comprises of an inventory of development issues and needs recorded in each of the wards in Mbombela over a number of years. This Needs Database serves as the basis for community consultation and participation in the municipality and as inputs to the Departmental Business Planning process. During each annual IDP review process, Ward Committees and Ward Councilors are given an opportunity to update the priority issues and needs for their specific ward areas. This process takes place at the beginning of the revision process. The updated Needs Database informs the business plan formulation process conducted by various line functional departments of the municipality.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- (a) Green Paper on National Strategic Planning of 2009;
- (b) Government Program of Action;
- (c) Development Facilitation Act of 1995;
- (d) Provincial Growth and Development Strategy (GGDS);
- (e) National and Provincial spatial development perspectives;
- (f) Relevant sector plans such as transportation, legislation and policy;
- (g) National Key Performance Indicators (NKPIS);
- (h) Accelerated and Shared Growth Initiative (ASGISA);
- (i) National 2014 Vision;
- (j) National Spatial Development Perspective (NSDP); and
- (k) The National Priority Outcomes.

2.2.1 National priorities

The President on his 2016 State of the Nation Address mentioned five national priorities which should be embedded by all spheres of government on the planning and budgeting processes for the medium-term.

The government has introduced the New Growth Plan that will guide the work of all spheres of government in achieving the goals relating these national priorities within the premise that the creation of decent work is at the Centre of our economic policies.

The five national priorities are;

- (a) Creating decent jobs;
- (b) Improving the quality of education;
- (c) Enhancing health services;
- (d) Enhancing rural development and agrarian; and
- (e) Fight against crime and corruption.

In His address, the President has further declared 2016 as a year of job creation. The municipalities should align their programs with the job creation imperative.

To achieve this national priority, municipalities are urged to when drafting 2016/2017 budgets to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the EPWP. The municipality ought to focus on maximizing its contribution to job creation by;

- (a) Ensuring that service delivery and capital project use labour intensive methods wherever appropriate.
- (b) Ensuring that service providers use labour intensive approaches.
- (c) Supporting labour intensive LED projects.
- (d) Participating fully in the EPWP/National youth service plan NYDP.
- (e) Implementing interns programs to provide young people with on-the-job training

The Constitution requires local government to relate its management, budgeting and planning functions to achieve its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's seven strategic objectives for the 2016/2017 MTREF and further planning refinements that have directly informed the compilation of the budget:

2.2.2 IDP strategic objectives

The municipality's development priority and objectives

IDP Development priority	IDP Development objective
Institutional development and transformation	<ul style="list-style-type: none"> To build strong sustainable governance and institutional structures and arrangements To redefine strategic macro leadership and coordination structures involving the local, district, provincial and national government
Infrastructure and sustainable services	<ul style="list-style-type: none"> To strengthen the delivery of basic services and ensure sustainable integrated human settlement supported by infrastructure development

Rural Development	<ul style="list-style-type: none"> • To strengthen the delivery of basic services and ensure sustained integrated human settlement supported by infrastructure development • To formulate a broad over-arching human capital and community development
Economic development	<ul style="list-style-type: none"> • To initiate a strong and sustainable local/regional economic development potential and sustainable environmental management
Financial management and viability	<ul style="list-style-type: none"> • To ensure legally sound financial viability and management
Human capital and community development	<ul style="list-style-type: none"> • To formulate a broad over-arching human capital and community development
2010 Legacy and Flagship projects concept	<ul style="list-style-type: none"> • To initiate a strong and sustainable local/regional economic development potential and sustainable environmental management • To strengthen the delivery of basic services and ensure sustained integrated human settlement supported by infrastructure development • To formulate a broad over-arching human capital and community development • To build strong sustainable governance and institutional structures and arrangements • To redefine strategic macro leadership and coordination structures involving the local, district, provincial and national government

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the seven strategic objectives:

Alignment of MLM IDP priorities with National, Provincial and District Priorities

MILLENNIUM DEVELOPMENT GOALS	IDP PRIORITIES- MUNICIPAL RESPONSE
Develop a Global Partnership for Development	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects ➤ Human capital and community development

Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> ➤ Infrastructure & sustainable services ➤ Human capital and community development ➤ Economic development ➤ Rural development
Combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> ➤ Human capital and community development ➤ 2010 legacy and flagship projects ➤ Economic development
Ensure environmental sustainability	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects
Promote gender equality and empower women	<ul style="list-style-type: none"> ➤ Human capital and social development ➤ 2010 legacy and flagship projects
NATIONAL PRIORITIES	IDP PRIORITIES- MUNICIPAL RESPONSE
Corruption	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects
Education	<ul style="list-style-type: none"> ➤ Human capital and community development
Health	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects
The fight against crime	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects ➤ Rural development
Creation of decent work & sustainable livelihoods	<ul style="list-style-type: none"> ➤ Economic development ➤ Infrastructure & sustainable services ➤ 2010 legacy and flagship projects ➤ Rural development
Rural development, food security & land reform	<ul style="list-style-type: none"> ➤ Economic development ➤ Infrastructure & sustainable services ➤ Human capital and community development ➤ Rural development
PROVINCIAL PRIORITIES	IDP PRIORITIES- MUNICIPAL RESPONSE
Agriculture	<ul style="list-style-type: none"> ➤ Human capital and community development ➤ Economic development ➤ Rural development
Skills	<ul style="list-style-type: none"> ➤ Human capital and community development ➤ Institutional development & transformation ➤ Infrastructure & sustainable services
Economic growth & job creation	<ul style="list-style-type: none"> ➤ Economic development ➤ 2010 legacy and flagship projects ➤ Rural development
Strategic infrastructure	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects ➤ Infrastructure & sustainable services

Tourism, Environment & Cultural Heritage	<ul style="list-style-type: none"> ➤ Human capital & community development ➤ Flagship projects ➤
Social cohesion	<ul style="list-style-type: none"> ➤ Human capital and community development ➤ 2010 legacy and flagship projects
DISTRICT PRIORITIES	IDP PRIORITIES- MUNICIPAL RESPONSE
Basic service and infrastructure development	<ul style="list-style-type: none"> ➤ Infrastructure & sustainable services
Local economic development	<ul style="list-style-type: none"> ➤ Economic development ➤ 2010 legacy and flagship projects
Institutional transformation and development	<ul style="list-style-type: none"> ➤ Institutional development and transformation ➤ 2010 legacy and flagship projects
Financial viability and management	<ul style="list-style-type: none"> ➤ 2010 legacy and flagship projects ➤ Financial management and viability
Public participation and good governance	<ul style="list-style-type: none"> ➤ Institutional development and transformation ➤ 2010 legacy and flagship projects
Traditional leaders	<ul style="list-style-type: none"> ➤ Human capital and community development ➤ 2010 legacy and flagship projects

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the seven strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into six strategic focus areas/objectives as outlined below:

- To initiate a strong and sustainable Local/Regional Economic Development Potential and Sustainable Environmental Management
- To Strengthen the Delivery of Basic Services and ensure Sustained Integrated Human Settlement supported by Infrastructure Development
- To formulate a Broad Over-arching Human Capital and Community Development
- To build strong sustainable governance and institutional structures and arrangements
- To ensure legally sound financial viability and management

- To redefine strategic macro leadership and coordination structures involving the Local, District, Provincial and National Government

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the revision of the IDP, including:

- There was one standardized template used to collect information, where the communities identified their priorities, detailed problem statement and the specific section / village;
- During the consultation, communities were given an opportunity to identify key priority needs and suggest solutions;
- Diverse developmental needs in areas within each ward were noted during the Analysis phase
- Poor attendance in some wards during the consultation meetings has negative effects;
- Consultation with communities for their needs is not the analysis of needs; analysis requires further research, evaluation and a decision making process;
- Communities should be provided with maps of their areas during consultation process to assist the municipality in mapping social needs;
- Government departments and parastatals are not attending IDP meetings even though they are invited;
- Upon the approval of the IDP and Budget, each ward should receive information of all projects/ programs across the three spheres of government and other stakeholders that will be implemented in their respective wards;
- There is a need for an organized consultation process with sector departments from both the municipality and district perspective.

The 2016/2017 – 2018/2019 final budget and MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

MP322 Mbombela - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

M-522-Indombeta - Supporting table 5A4 reconciliation of IDP Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management	Economic Development			41,002	43,462	44,332	61,888	63,126	63,126	68,807	75,000	81,750
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development	Infrastructure & sustainable services			671,346	711,627	1,115,395	1,292,155	1,383,676	1,383,676	1,425,186	1,510,697	1,586,232
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			151,354	160,436	148,404	105,680	107,794	107,794	111,028	117,690	127,105
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			40,764	43,210	44,074	56,481	57,610	57,610	59,338	62,899	64,786
To ensure legally sound Financial viability and Management	Financial management & viability			771,445	747,763	814,447	1,047,839	1,134,473	1,134,473	1,200,365	1,335,660	1,520,679
				-	-	-	-	-	-	-	-	-
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	1,675,912	1,706,498	2,166,652	2,564,044	2,746,679	2,746,679	2,864,725	3,101,946	3,380,551

MP322 Mbombela - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

MF322 Mbonjeni - Supporting Table SAs Reconciliation of IDP Strategic Objectives and Budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
To initiate a strong and sustainable Local/Regional Economic Development Benefit and sustainable	Economic Development			104,747	109,984	113,284	57,479	59,203	59,203	59,796	65,775	72,353	
				-	-		-						
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlements supported by	Infrastructure & sustainable services			909,082	916,908	1,101,424	1,076,200	1,097,724	1,097,724	1,177,517	1,227,755	1,327,461	
				-	-		-			-	-	-	
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			351,013	368,564	532,487	543,847	612,144	612,144	661,116	714,005	771,125	
				-	-		-	-	-				
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			73,488	77,163	214,705	322,995	332,685	332,685	342,666	352,946	363,534	
				-	-	-	-						
To ensure legally sound Financial viability and Management	Financial management & viability			357,220	375,081	152,975	181,023	183,103	183,103	188,596	194,254	200,081	
				-	-		-						
Allocations to other priorities													
Total Expenditure				1	1,795,551	1,847,700	2,114,874	2,181,545	2,284,859	2,284,859	2,429,690	2,554,734	2,734,554

MP322 Mbombela - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
To initiate a strong and sustainable Local/Regional Economic Development	Economic Development	A		16,349	9,097	7,973	27,140	68,975	68,975	55,424	64,539	56,290
		B		-	-		-	-				
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Capital development	Infrastructure & sustainable services	C		142,758	202,970	472,776	503,916	679,242	679,242	515,221	524,769	536,408
		D		-			-					
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development	E		35,663	6,591	20,651	29,942	34,862	34,862	26,620	31,771	38,859
		F		-			-			-	-	-
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation	G		1,247	6,566	7,340	14,478	15,466	15,466	17,866	20,174	44,017
		H		-								
To ensure legally sound Financial viability and Management	Financial management & viability	I		41,394	5,511	7,202	6,939	8,993	8,993	11,824	13,000	9,491
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	237,412	230,736	515,942	582,416	807,538	807,538	626,955	654,252	685,065

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

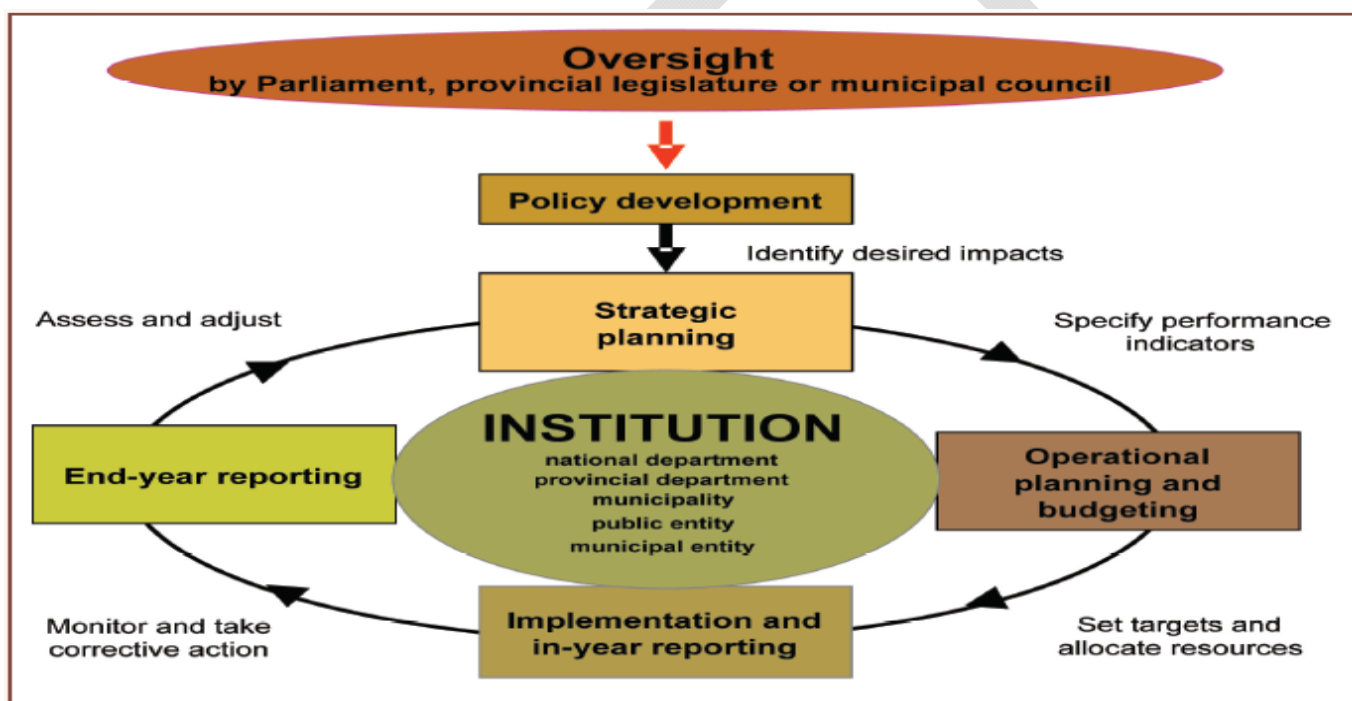


Figure 1 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- (a) Planning (setting goals, objectives, targets and benchmarks);
- (b) Monitoring (regular monitoring and checking on the progress against plan);
- (c) Measurement (indicators of success);
- (d) Review (identifying areas requiring change and improvement);
- (e) Reporting (what information, to whom, from whom, how often and for what purpose); and

(f) Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury.

The following table sets out the municipality's main performance objectives and benchmarks for the 2016/2017 MTREF.

MP322 Mbombela - Supporting Table SA8 Performance indicators and benchmarks

		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>										
Credit Rating		A2 za	A2 za	Baa1.za	Baa1.za	Baa1.za	Baa1.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.4%	3.6%	3.7%	3.3%	3.3%	3.3%	2.8%	2.5%	2.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.0%	5.8%	5.9%	4.6%	4.8%	4.8%	3.8%	3.4%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	21.9%	102.4%	70.7%	31.2%	24.4%	24.4%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	0.3	0.3	0.3	1.0	1.0	1.0	1.1	1.5	2.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 day s/current liabilities	0.3	0.3	0.3	1.0	1.0	1.0	1.1	1.5	2.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.1	0.1	0.7	0.4	0.4	0.6	0.9	1.4
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.5%	102.0%	96.8%	102.0%	111.2%	98.9%	92.6%	94.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.5%	102.0%	96.2%	102.0%	95.3%	95.3%	92.6%	94.5%	94.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.0%	10.6%	17.0%	5.6%	11.1%	11.1%	7.5%	7.5%	7.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	90.0%	92.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		2447.4%	524.7%	716.5%	77.7%	213.4%	213.4%	150.8%	95.4%	63.3%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	69587166.4	50038047	75018795	71267855.25	71267855.25	71267855.25	67704462.49	64319239.36	61103277.39
	Total Cost of Losses (Rand '000)	39,665	34,526	54,014	51,313	51,313	51,313	48,747	46,310	43,994
	% Volume (units purchased and generated less units sold)/units purchased and generated	—	—	—	—	—	—	—	—	—
Water Distribution Losses (2)	Total Volume Losses (kℓ)	990	1,271	1,054	1,001	1,001	1,001	951	903	858
	Total Cost of Losses (Rand '000)	2731865	3913734	4161404	3953334	3953334	3953334	3755667	3567884	3389490
	% Volume (units purchased and generated less units sold)/units purchased and generated	—	—	—	—	—	—	—	—	—
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.7%	30.1%	29.6%	25.3%	25.3%	25.3%	24.6%	24.2%	23.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.1%	31.8%	31.2%	26.7%	26.7%	26.7%	25.9%	25.5%	25.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.9%	10.1%	10.5%	8.9%	9.0%	9.0%	8.4%	7.9%	7.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	19.1%	17.9%	16.2%	11.4%	13.1%	13.1%	12.5%	11.7%	10.9%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	57.8	42.8	36.3	39.0	39.0	39.0	39.7	39.7	43.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.2%	16.0%	21.2%	9.2%	18.2%	18.2%	12.2%	12.4%	12.8%
iii. Cost coverage	(Av ailable cash + Investments)/monthly fixed operational expenditure	0.2	0.8	0.7	1.8	1.1	1.1	1.4	2.1	3.2

2.3.1 Financial performance indicators and benchmarks

(a) Borrowing management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Mbombela Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2016/2017 MTREF.

Borrowing to asset ratio is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. It can be noted that the borrowing asset ratio of Mbombela local municipality is increasing for the medium term.

Capital charges to operating expenditure are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is zero decreased significantly due to the fact that there's no borrowing anticipated to fund the 2016/2017 capital expenditure.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2016/2017 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

(b) Safety of Capital

The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves.

(c) Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2016/2017 MTREF the current ratio is 1,1 in the 2017/2018 financial year and 1,5 and 2 for 2018/2019. Going forward it will be necessary to maintain these levels or even more.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2015/2016 financial year the ratio was 0,4 and as part of the financial planning strategy it has been increased to 0,6 in the 2016/2017 and increasing to 0,9 and 1,4 in 2018/2019 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

(d) Revenue Management

As part of the financial sustainability strategy, the municipality has revised its revenue enhancement strategy and theme of the strategy is, “let us make revenue management everyone’s business in the municipality” we believe that through the aggressive implementation of the strategy framework, the financial stability in the short-term and sustainability in the long-term will be achieved. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

(e) Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100% compliance rate to this legislative obligation. This has had a favourable impact on suppliers’ perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality’s business.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2016/2017 financial year 14,950 registered indigents will be provided for in the budget. In terms of the Municipality’s indigent policy registered households are entitled to 6kℓ free water, 50 kwh of electricity, 6 kℓ sanitation and free waste removal equivalent to 85ℓ once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement) .

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Minimum Green Drop certification standards. This has been prioritised as part of the 2016/2017 medium term capital budget.

The following is briefly the main challenges facing the Municipality in this regard:

- (a) The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- (b) Shortage of skilled personnel makes proper operations and maintenance difficult;

- (c) Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- (d) There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- (a) Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- (b) The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training program, especially for operational personnel;
- (c) The Electricity Division is to install dedicated power supply lines to the plants; and
- (d) The Division is working in consultation with the Department of Water Affairs to address catchment management.
- (e) Updating the infrastructure plan of the municipality.

2.4 OVERVIEW OF BUDGET RELATED-POLICIES

As required by law, the budgeting process is guided and governed by relevant legislations, framework and policies, all the budget related policies must be reviewed annually. Any amendments, additions or deletions have been tabled to Council for adoption on 23 March 2016 as draft.

Mbombela Local Municipality has reviewed the following Budget Related policies for the financial year 2016/2017:

2.4.1 Virement policy

This is a policy that is designed to manage the shifting of funds within and between votes during a financial year. Its main objective is to give guidance to all relevant stakeholders on how to shift and manage funds within their budgets as per approved delegations.

The Municipal Budget and Reporting Regulations (No 3241) and Circular 51 issued by the National Treasury serve as guidelines in implementation of this policy.

2.4.2 Budget policy

The budget policy deals mainly with all matters regarding budget matters. It gives a direction on how all the processes should be followed. The legislative and compliance requirements in terms of time lines are also indicated in this policy.

2.4.3 Credit control and debt collection policy and by-laws

The policy is required in terms of chapter 9 of the Municipal Systems Act (MSA) no 32 of 2000 (s 95, 96, 97 and 98). A policy must be developed in order to provide for a mechanism on which credit control and debt collection measures will be effected. The guidelines required by the Act in terms of s 97(1)(a) – (i) is clearly indicated in the policy.

Section 98 of the MSA further requires that Council must adopt by laws to give effect to the policy, its implementation and enforcement.

There following amendments are incorporated into the policy and or by-law which include amongst others:

(a) Termination of opening of tenants accounts

This will minimise administrative challenges which amongst others include:

- (i) Having two accounts on one stand, and one of the accounts not being serviced properly.
- (ii) Increase in the number of accounts on the billing system.
- (iii) The owner not being held liable should the meter be tampered with.
- (iv) Improve enforcement of credit control and debt collection measures.

2.4.4 Economic investment and promotion policy

This policy is a newly developed policy from the Local Economic Development unit. Its major objective is to provide a framework for the uniform development of incentives in Mbombela Local Municipality that will assist to

- (a) Attract investment.
- (b) Return existing investment.
- (c) Stimulate and create job opportunities.
- (d) Support investment into IDP projects.

As per deliberations, it was agreed that proper enforcement of this policy will have positive and beneficial impact to the municipality. The proposed types of incentives were also look at it was then agreed that a phase in approach as per the provisions Municipal Property Rates Act No 6 of 2004. These provisions are outlined in the Mbombela Local Municipality Property Rates by Law in terms of section 9.4.1(b).

2.4.5 Investment policy

This policy gives effect to the requirements as set out on s 13(2) of the Municipal Finance Management Act no 56 of 2003 and the Municipal Investment Regulations (Gazette 2743) of April 2005. All investment related practices are guided by the implementation of this policy. It clearly outlines the roles and responsibilities of all role players in the management of the cash resources.

After deliberations during the workshop it was resolved that no proposed amendments.

2.4.6 Funding and reserves policy

The amendments to the following sections on the policy are hereby proposed;

Revenue from fines will be budgeted for based on the best estimate of the inflow of resources or economic benefits to the Municipality. The revenue would include an estimate of the fines to be issued taking into account certain variables such as discounts, validity of the fines, rebates etc. The revenue would also be informed by the fines revenue recognized during the preceding year.

Investment in municipal assets through repairs and maintenance shall be budgeted for based on the asset maintenance plans and shall be at an acceptable norm as set by National Treasury.

2.4.7 Indigent policy

The department of Cooperative Governance and Traditional Authorities has issued a guideline on formulation of Indigent Policy. This guideline has been used in developing the Indigent Policy for Mbombela Local Municipality.

EPWP initiatives form part of this indigent policy in job creation for the indigents. The linkage of the Supply Chain Management policy to the Indigent policy must be seriously considered as well as LED policy.

2.4.8 Payroll discrepancy policy

A policy has been developed in terms of the Basic Conditions of Employment Act No 75 of 1997 Section 34(5)(a):

The policy has been developed and its main objectives are:

- (a) To establish policy and procedures for identifying, correcting and recovering salary overpayments and correcting underpayments
- (b) To ensure consistent application of actions taken when implementing the policy
- (c) Establish control measures to mitigate the risk of overpayments and early detection should such occur whether due to human error, technological failure or fraudulent activities.

2.4.9 Supply chain management policy

Chapter 11 of the Municipal Finance Management Act No 50 of 2003 deals with Goods and Services. In terms of Section 111, each municipality must have and implement a Supply Chain Management policy which gives effect to provisions of this part of the Act.

In August 2005, National Treasury issued Circular 22, Supply Chain Management Model policy. This model policy has been developed to be fully compliant with MFMA.

2.4.10 Supplier performance monitoring policy

No amendments have been made on this policy.

2.4.11 Contract management policy

This policy is linked to the supplier performance monitoring policy. It has been developed in terms of s 116(2) of the MFMA. The lack of proper contract management or consistent application of contract management necessitated the development of this policy.

A dedicated unit in the SCM sub directorate with the assistance of the Legal Services within Council will be the key custodians of the policy. The Project Managers and user departments will in terms of the policy be accountable for the specific project whilst it is underway and will work closely with the Contract Management unit to ensure compliance to the policy.

2.4.12 Property rates policy and by law

The Municipal Property Rates Act no 6 of 2004 provides a framework to which municipalities must comply when imposing rates on properties. S 62 of the MFMA requires that the accounting officer must ensure that the municipality has and implements a rates policy embodied in a bylaw as per s 6 of the MPRA.

In the implementation of the above property rates by law that was gazetted on 21 July 2010 as provincial gazette no 1841. As required the following changes were made:

Rebates for owners of properties in Townships establishment (Private township developers / Township owners

- 100% rebates shall be granted as from proclamation date of the township and shall not exceed a period of twenty four (24) months;

- Thereafter, a rebate of 75% year 1, 50% year 2 and 25% year 3 shall apply and/or terminated when a transfer to the third party takes place and /or certificate of occupation is issued, whichever comes first.

(i) **Rebates for Retired people over the age of 60 years**

Rebates for Retired people over the age of 60 years and with annual income exceeding the threshold value in terms of indigent policy shall be granted rebates on their property rates account as follows;

Annual Income Threshold	% Rebate
R0.00 - R116 150	100%
R114 801 - R145 188	75%
R145 189 - R181 484	50%
Above R181 484	25%

2.4.13 Tariff policy and by law

Section 74 of the Municipal Systems Act no 32 of 2000, provides a framework on the formulation of a tariff policy. This policy together with the by law adopted in terms of Section 75 are part of the budget related policies that must be reviewed annually. A tariff policy consistent with the provisions of the Act has been developed the no material changes made to the policy except the following;

Adjustments to the tariff booklet on refuse removal and waste management. The unit of measure used for waste disposal at the landfill site should be changed from **ton** to **kilogram** and the rate be adjusted accordingly.

2.4.14 Asset management policy

The safeguarding and maintenance of assets, valuation in accordance with GRAP, maintaining a system of internal control and keeping an asset register are key elements of the Asset Management Framework. In order to ensure above is done in a consistent and legally compliant manner, a policy directive needs to be adopted.

The municipality has recently completed an exercise where the asset base of the municipality was properly quantified and a GRAP compliant asset register completed. An asset management policy is therefore critical as it will ensure that all relevant stakeholders and role players understand their roles and responsibilities.

2.4.15 Insurance policy

The main objective of the insurance policy is to:

- Create awareness to all employees of the risks associated with all insurable interests
- Ensure reasonable steps are taken to mitigate and minimise all risks
- Identify all potential risks and enforce risk control measures
- Minimise losses by ensuring proper management control housekeeping and maintenance of assets.

2.4.16 Solid Waste (Refuse Removal) By-Law

The following amendments are proposed on the by-law;

The amendment will be on the unit of measure for application of the landfill site tariffs. The unit of measure for application of the tariffs shall be change from a ton to a kilogram.

The other amendment will be on the commencement for billing of refuse removal services for domestic or residential household as the by-law currently states that the commencement for the billing will be upon electricity or water connection by the household.

The electricity or water connection phrase will be substituted by the phrase, issuing of the occupational certificate by the Department of City Planning and Development Department.

2.4.17 Proposed new policies

(a) Liquidity Policy

Legislative Mandate

This policy is required in terms of Section 8 of the Local Government: Municipal Budget and Reporting Regulations which is in accordance with Section 17 and 168 of the Municipal Finance Management Act No. 56 of 2003.

Objective of the Policy

The objective of the policy is to ensure liquidity management in so far as maintaining sufficient liquidity to meet the liabilities when due under both normal and stressed conditions without incurring any prohibited expenditure.

(b) Model SCM Policy for Infrastructure Procurement and Delivery management

Legislative Mandate

MFMA Circular 77 issued by National Treasury in October 2015

Objective of the policy

This policy establishes the MLM's policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management.

It includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity

The policies mentioned above will further be discussed during the internal and external consultation which will take place as part of the 2016/2017 budget process.

All the inputs received during the consultation process will be further processed and taken to Council for adoption and approval during the tabling of the 2016/2017 budget.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 External factors

Unemployment remains very high and escalating according to the latest unemployment statistics released by Statistics South Africa.

The consequence of slow economic growth and deterioration of the labour market (increase in unemployment rate) will be felt by the municipalities in terms of expectation on revenue growth and cash flows. And therefore a conservative approach will need to be adopted when projections are made for expected revenues cash receipts in the next medium-term.

The consumer price inflation is expected to stay within the 3 to 6 per cent inflation target band over the forecast period. The forecasted headline inflation for medium-term will be as follows;

Description	2015 Actual	2016 Actual	2017 Estimate	2018 Forecast	2019 Forecast
Inflation Outlook	5.6%	5.5%	6.6%	6.2%	5.9%

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2016/2017 MTREF no borrowings will be sourced.

2.5.4 Collection rate for revenue services

The payment level trend for the past three years, including current financial year until to date is as follows;

Payment Levels	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Collection on current accounts - Rates and Services charges	93%	95%	95%	92%	94%	94%

2.5.5 Growth or decline in tax base of the municipality

Despite the global economy weaknesses and projected to be likely to remain so for at least a few more year, the South African economic growth outlook in 2015 to 2019 is expected to be as follows;

Headline inflation forecast over the medium-term;

Description	2015 Actual	2016 Actual	2017 Estimate	2018 Forecast	2019 Forecast
Real GDP	1.5%	0.9%	1.2%	1.9%	2.5%

The General Managers' Forum has during January 2016 established a Revenue Enhancement Task Team which comprises of the Chief Financial Officer and General Managers for Infrastructure Development, Water and Sanitation, Community Services and City Planning and Development.

The task team was established with a purpose of diagnosing revenue enhancement risks and developing a revenue enhancement programme with clear roles and responsibilities, key performance indicators and targets to mitigate those identified revenue enhancement risks, which are

- (a) Low or no purchase of prepayment electricity by customers due to tampering and faulty meters
- (b) Faulty of power and load factors in electricity sub-station and distribution networks
- (c) Faulty and tampered conventional water and electricity meters
- (d) Substantial water losses at water treatment works and distribution networks
- (e) By-passing of electricity meters by electrical division employees (Electrician)
- (f) Unsuitability of Unique Umbane electricity meters installed in Valencia Park.
- (g) Outdated municipal by-laws.
- (h) Inadequate traffic fines collection mechanisms
- (i) Inadequate meter reading services
- (j) Legally occupied properties not billed for solid waste services.
- (k) Inadequate internal controls on the billing system – compromising the integrity of the municipal accounts
- (l) Property rates not levied due to incorrect registration of the properties in the name of the municipality in the deeds office.
- (m) Government properties not listed on the general valuation roll located in the state trust and communal land.

1.5.6 Salary increases

The employees' remuneration cost will amount to R582 million in 2016/2017 financial year due to an annual increase of 6 per cent and 1 per cent for filling of critical vacant positions. The employee cost to the total operating expenditure budget is 24 per cent. The employees remuneration cost will increase to R680 million in 2018/2019 financial year and the expenditure to the total operating budget will be 25 per cent.

2.5.7 Micro or internal environment perspective

Furthermore from macro environment perspective, and the unfavourable economic conditions more of our people are unemployed which result in shrinking of the current revenue base putting pressure on the current municipal revenue and cash flow over the medium-term over the slow economic growth trends reflect that a convergence of unfavourable global and domestic circumstances of which impact negatively on all spheres of government. The revenue base of the municipality is under pressure as no new revenues are derived at the moment due to the slow economic growth and local circumstances.

As a consequence of the distress economy, the municipality was advised by National Treasury to adopt a conservative approach when projecting the revenue and cash flow for the medium term due to unfavorable and unstable economic conditions and rising inflationary pressures, and the slow growth pace on global and national economy.

On the expenditure side - careful analysis and evaluation of the current spending patterns need to be conducted so that the allocation of funds in the next medium-term is in line with the key municipal priorities and non-priority spending is eliminated (austerity measures need to be implemented).

2.5.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- (a) Creating jobs;
- (b) Enhancing education and skill development;
- (c) Improving Health services;
- (d) Rural development and agriculture; and
- (e) Fighting crime and corruption.

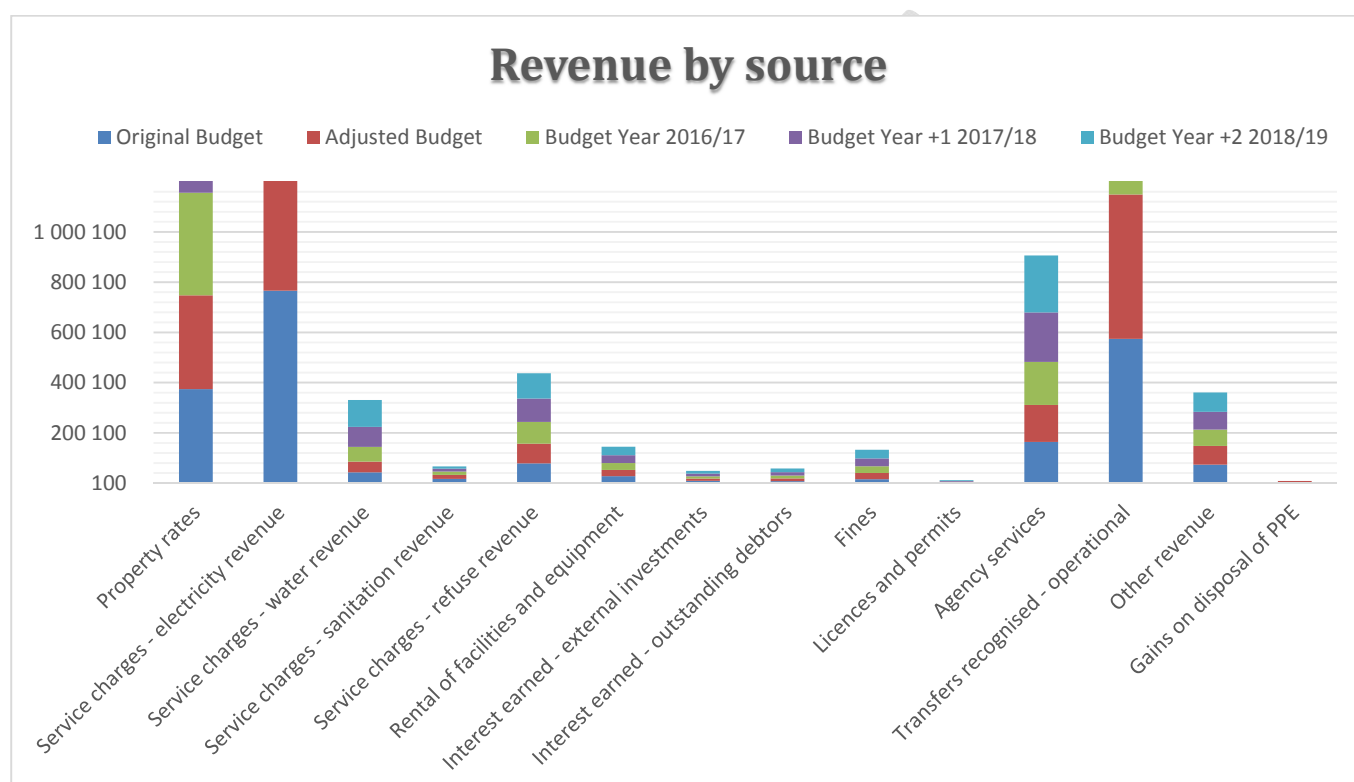
To achieve this national priority, municipalities are urged to when drafting 2015/2016 budgets to continue explore opportunities to promote labour intensive approaches to delivering services, and more particularly to participate fully in the EPWP. However, municipalities should not carelessly employ more people without any reference and consideration to the level of staffing required delivering effective services. Municipalities should focus on maximizing its contribution to job creation by;

- Ensuring that service delivery and capital project use labour intensive methods wherever appropriate.
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive Local Economic Development projects.
- Participating fully in the Expanded Public Works Programmes/National youth service plan.
- Implementing interns programs to provide young people with on-the-job training.

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Medium-term outlook: operating revenue

The following graph is a breakdown of the operational revenue per revenue source for the 2016/2017 financial year.



Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, wage agreements with unions (Labour), input costs of services provided by the municipality, local economic conditions and the affordability of services taking into consideration the municipality's indigent policy were taken into consideration.

The percentage increases of both Eskom and SembCorp (Silulumanzi) Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

The revenue strategy is a function of key components such as:

- (a) Growth in the city and economic development;
- (b) Revenue management and enhancement;
- (c) Achievement of a 92% annual collection rate on revenue from rates and services charge;
- (d) National Treasury guidelines;
- (e) Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- (f) Achievement of full cost recovery of specific user charges;
- (g) Determining tariff escalation rate by establishing/calculating revenue requirements;
- (h) The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- (i) And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2016/2017 MTREF on the different revenue categories are:

Rates and Services Charges Tariffs Increase	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Property Rates	6,50%	0,00%	6,00%	6,60%	6,20%	5,90%
Electricity	6,41%	8,06%	12,20%	7,64%	8,96%	8,90%
Water	8,00%	8,50%	38,00%	37,00%	35,00%	35,00%
Refuse Removal	9,50%	10,00%	8,00%	7,88%	8,22%	8,55%
Sewerage	8,00%	8,50%	-18,00%	-18,00%	-18,00%	-10,00%
Concession Area - Water and Sanitation				11,82%	12,52%	12,85%
Sundry charges tariffs and fees Increase %	12,00%	12,00%	12,00%	12,00%	12,00%	12,00%

2.6.2 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

2.6.4 Funding Compliance measures

The cash and cash equivalents as reflected on table A7 indicates that the municipality will have positive cash balance at the end of the financial year which is an indication of the minimum requirement as required by MFMA. The forecasted cash and cash equivalents for the Medium Term period is R224 million, R374 million and R 601 million for each year respectively.

2.6.5 Cash and cash equivalent position

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2016/2017 MTREF shows R224 million, R374 million and R601 million for each respective financial year.

2.6.6 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A8. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.7 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under financial setbacks/risk from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts municipalities improving cash position causes the ratio to move upwards one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward. For the 2016/2017 MTREF the indicative outcome shows that the municipality will be able to have cash for 1,4 increasing to 3,2 in 2018/2019 which is above the norm of 1 to 3.

2.6.8 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2016/2017 MTREF the indicative outcome is a surplus of R 435 million, R 547 million and R 646 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.9 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.6.10 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 92,4 percent, 94 percent and 94 percent for each of the respective financial years. Given that the assumed collection rate is based on a 92 percent performance target, the cash flow statement has been conservatively determined.

2.6.11 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 8,4 percent, 7 percent and 7 percent over the MTREF.

2.6.12 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.13 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that no borrowing planned for the medium term.

2.6.14 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.15 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality policy of settling debtors' accounts within 30 days.

2.6.16 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because of a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.17 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

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2.7 BUDGET SUPPORTING TABLES

MP322 Mbombela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
REVENUE ITEMS:										
Property rates	6									
Total Property Rates		401,954	425,393	493,748	542,511	542,511	542,511	588,647	625,143	663,902
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		127,692	134,785	158,074	168,448	168,448	168,448	180,562	191,757	203,646
Net Property Rates		274,262	290,608	335,674	374,063	374,063	374,063	408,085	433,386	460,256
Service charges - electricity revenue	6									
Total Service charges - electricity revenue		548,403	613,256	705,392	814,440	814,440	814,440	917,384	988,072	1,064,361
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>		2,733	2,982	4,159	5,916	5,916	5,916	7,946	8,582	9,268
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		9,271	9,457	36,030	42,896	42,896	42,896	45,041	45,941	46,860
Net Service charges - electricity revenue		536,399	600,817	665,203	765,628	765,628	765,628	864,397	933,549	1,008,233
Service charges - water revenue	6									
Total Service charges - water revenue		74,662	79,119	122,383	142,759	142,759	142,759	165,877	194,241	232,856
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>		10,673	11,528	12,510	12,510	12,510	12,510	17,138	23,137	31,234
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		39,323	40,109	79,554	87,360	87,360	87,360	89,981	91,780	94,534
Net Service charges - water revenue		24,667	27,482	30,319	42,890	42,890	42,890	58,759	79,324	107,088
Service charges - sanitation revenue										
Total Service charges - sanitation revenue		25,807	27,402	31,356	29,058	29,058	29,058	23,828	19,539	16,695
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>		10,673	11,528	12,510	12,510	12,510	12,510	10,258	8,411	7,570
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>		-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		15,134	15,874	18,846	16,548	16,548	16,548	13,570	11,127	9,124
Service charges - refuse revenue	6									
Total refuse removal revenue		60,039	68,132	75,517	98,853	107,025	107,025	109,962	124,953	140,230
Total landfill revenue										
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>										
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		1,010	3,067	3,067	19,983	28,156	28,156	24,027	31,956	39,285
Net Service charges - refuse revenue		59,029	65,066	72,450	78,870	78,870	78,870	85,935	92,997	100,946
Other Revenue by source										
Bad debts recovered		-	-	368	40,140	40,140	40,140	25,800	25,800	27,600
Service Contributions		13,477	8,236	6,361	6,115	6,115	6,115	9,841	10,917	12,123
VAT Revenue on Conditional Grants		27,020	25,056	62,887	-	-	-	-	-	-
Water Cost Recovery (Silulumanzi)		2,632	3,739	4,486	5,025	5,025	5,025	5,628	6,303	7,059
Concession Fee		2,357	2,415	4,223	2,705	2,705	2,705	3,029	3,393	3,800
Rehabilitation of landfill site		-	-	-	5,410	5,410	5,410	6,059	6,786	7,600
Refund - Secbr Education and Training Authorities (SETA)		1,970	1,141	468	1,493	1,493	1,493	1,672	1,873	2,097
Prepaid Commission		1,462	1,353	1,577	1,574	1,574	1,574	1,763	1,974	2,211
Refund - Secbr Education and Training Authorities (SETA)		1,970	1,141	468	1,493	1,493	1,493	1,672	1,873	2,097
Electrical Connections		2,298	3,991	5,680	4,128	4,128	4,128	4,624	5,179	5,800
Building Plan Fees		1,695	1,306	3,054	2,918	2,918	2,918	3,268	3,660	4,100
Other Revenue		83,008	39,472	17,348	2,964	2,964	2,964	2,214	2,585	2,999
Total 'Other' Revenue	1	137,889	87,850	106,920	73,964	73,964	73,964	65,570	70,343	77,488

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MP322 Mbombela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	225,192	241,474	260,859	305,039	302,900	302,900	302,900	306,362	310,700	315,223
Pension and UIF Contributions		54,030	57,596	61,620	71,702	71,702	71,702	71,702	75,164	79,502	84,025
Medical Aid Contributions		18,304	20,649	23,672	23,975	23,975	23,975	23,975	27,437	31,776	36,298
Overtime		39,275	53,883	65,952	45,844	45,844	45,844	45,844	49,305	53,644	58,167
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		18,515	20,331	25,690	24,948	24,948	24,948	24,948	28,409	32,748	37,271
Cellphone Allowance		1,689	1,841	2,378	2,251	2,251	2,251	2,251	5,713	10,052	14,574
Housing Allowances		2,736	2,525	2,603	2,897	2,897	2,897	2,897	6,358	10,697	15,220
Other benefits and allowances		37,485	51,016	60,166	48,993	48,993	48,993	48,993	52,454	56,793	61,316
Payments in lieu of leave		5,834	2,248	4,745	2,418	2,418	2,418	2,418	5,879	10,218	14,741
Long service awards		3,473	3,977	4,482	1,018	1,018	1,018	1,018	4,479	8,818	13,341
Post-retirement benefit obligations	4	11,686	7,457	8,737	17,008	17,008	17,008	17,008	20,469	24,808	29,331
sub-total	5	418,218	462,997	520,903	546,092	543,953	543,953	543,953	582,030	629,756	679,507
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	418,218	462,997	520,903	546,092	543,953	543,953	543,953	582,030	629,756	679,507
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		240,802	221,993	225,835	191,056	226,375	226,375	226,375	249,592	259,575	269,958
Lease amortisation				-							
Capital asset impairment				-							
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	240,802	221,993	225,835	191,056	226,375	226,375	226,375	249,592	259,575	269,958
Bulk purchases											
Electricity Bulk Purchases		419,565	437,831	460,529	467,630	482,674	482,674	482,674	536,251	588,267	645,329
Water Bulk Purchases				19,766	59,941	43,941	43,941	43,941	47,236	50,685	54,283
Total bulk purchases	1	419,565	437,831	480,295	527,570	526,615	526,615	526,615	583,487	638,952	699,612
Transfers and grants											
Cash transfers and grants		25,874	23,707	26,833	150,239	158,411	158,411	158,411	159,048	169,678	180,678
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	25,874	23,707	26,833	150,239	158,411	158,411	158,411	159,048	169,678	180,678
Contracted services											
Audit Fees		1,501	2,567	2,230	2,130	2,270	2,270	-	2,425	2,582	3,312
Vehicle repairs		8,771	9,258	9,550	9,745	10,828	10,828		10,051	10,581	11,119
Clearing illegal dumping		4,160	5,645	7,508	-	-	-		-	-	-
Gorunds And Garden		1,016	1,070	1,124	1,867	2,074	2,074		1,926	2,027	2,130
Development of Master & Business Plans / Feasibility studies		2,319	955	14,525	-	-	-		-	-	-
Buildings		6,749	6,101	6,496	8,437	10,485	10,485		9,732	10,246	10,767
Formalisation and township development		3,231	2,613	5,752	-	-	-	-	-	-	-
Household electrification & sanitation projects		26,403	16,401	15,465	-	-	-	-	-	-	-
Human resource programmes		148	2,619	1,688	-	-	-	-	-	-	-
Grass Cutting (Road Maintenance)		5,289	5,638	6,022	7,071	7,856	7,856		7,292	7,678	8,068
Information technology (IT) services		11,487	12,597	14,274	13,129	14,588	14,588		15,387	17,200	20,023
Legal costs		3,227	5,746	6,157	7,071	7,856	7,856		7,292	7,678	8,068
Mbombela Stadium Management & Operational Costs		18,066	20,624	32,898	21,343	23,715	23,715		25,015	27,335	32,673
Meter reading services		2,701	3,426	3,466	3,002	3,335	3,335		3,518	3,704	3,892
Electricity Distribution networks & Street lighting		19,021	20,078	20,500	21,134	24,300	24,300		25,628	26,981	36,352
Other services		6,737	6,452	5,636	4,676	12,033	12,033	-	12,051	12,658	19,702
Professional engineering services		8,162	34,396	50,911	-	-	-	-	-	-	-
Public transport management function		-	-	15,188	-	-	-	-	-	-	-
Security services		22,278	44,198	46,185	32,156	37,951	37,951		40,031	42,145	47,285
Solid waste services		18,644	20,528	22,269	29,226	27,708	27,708		29,226	30,769	38,332
Grave Digging		985	1,095	1,016	1,447	1,607	1,607	-	1,492	1,571	3,018
Water purification and distribution		34,786	38,039	41,792	47,530	53,478	53,478		54,298	58,666	69,069
IDP Operating Projects		-	-	-	123,129	148,539	148,539		131,586	123,076	90,619
Meters		106	112	116	118	198	198		183	193	203
Machinery & Equipment		758	800	826	842	936	936	-	869	915	961
sub-total	1	206,545	260,957	331,595	334,054	389,759	389,759	-	378,002	386,004	405,593

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MP322 Mbombela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Allocations to organs of state:											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total contracted services		-	-	-	-	-	-	-	-	-	-
Other Expenditure By Type											
Collection costs		2,183	2,468	2,803	2,109	2,109	2,109	-	2,249	2,402	2,557
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Consultant fees		-	-	-	-	-	-	-	-	-	-
Audit fees		3,261	4,282	4,174	4,805	4,805	4,805	4,805	5,122	5,470	5,825
General expenses	3	-	-	-	-	-	-	229,222	-	-	-
Electricity (own usage)		31,478	35,620	34,334	35,682	38,682	38,682	-	41,235	44,039	46,893
Bursaries		3,450	3,203	3,494	3,783	3,783	3,783	-	4,033	4,307	4,586
Department of Transport		-	-	-	54,521	54,521	54,521	-	57,792	57,826	63,299
Insurance		5,939	8,575	8,402	8,235	9,235	9,235	-	9,844	10,514	11,195
Licence fees		3,542	4,721	5,008	5,509	5,509	5,509	-	5,872	6,271	6,678
Membership fees		3,365	4,475	5,209	5,786	5,786	5,786	-	6,168	6,587	7,014
Transversal programmes		2,453	3,479	5,220	-	-	-	-	-	-	-
Sewerage & water : Sikulumanzi		10,663	16,530	12,683	9,390	9,390	9,390	-	10,010	10,690	11,383
Skills development levies		3,442	4,001	4,413	4,854	4,854	4,854	-	5,175	5,527	5,885
Protective & official clothing		1,855	1,988	2,071	5,289	5,289	5,289	-	5,638	6,022	6,412
Public participation		2,561	4,146	5,201	2,028	2,028	2,028	-	2,161	2,308	2,458
Telephone		4,958	5,425	6,330	5,800	5,800	5,800	-	6,183	6,603	7,031
Training & Capacity Building		2,974	4,629	3,040	3,555	3,555	3,555	-	3,790	4,048	4,310
Other		17,144	24,683	12,578	5,840	3,998	3,998	-	4,589	1,258	1,343
Ward committees		4,584	4,482	4,538	4,992	4,992	4,992	-	5,862	5,684	6,052
Sports programmes		2,656	2,427	2,659	-	-	-	-	-	-	-
Drivers licence cards		2,010	2,016	2,263	2,376	2,376	2,376	-	2,533	2,705	2,880
Local economic development programmes		7,526	4,380	1,936	2,105	2,105	2,105	-	2,243	2,396	2,551
Public transport management function		7,537	8,668	7,507	-	-	-	-	-	-	-
Repairs and Maintenance		133,783	155,117	183,926	-	-	-	-	-	-	-
Integrated Development Plan (IDP) operating projects		36,044	38,405	37,133	57,987	60,404	60,404	229,222	49,107	52,946	54,655
Hosting of Africa Cup of Nations		41,434	-	-	-	-	-	-	-	-	-
Total 'Other' Expenditure	1	334,844	343,719	354,923	224,647	229,222	229,222	463,248	229,606	237,603	253,008
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		133,783	155,117	183,926	207,055	207,055	207,055	-	230,908	248,745	267,659
Total Repairs and Maintenance Expenditure	9	133,783	155,117	183,926	207,055	207,055	207,055	-	230,908	248,745	267,659

MP322 Mbombela - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - COUNCIL	Vote 2 - COUNCIL SUPPORT	Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUPPORT	Vote 4 - MUNICIPAL MANAGER	Vote 5 - FINANCIAL SERVICES	Vote 6 - CORPORATE SERVICES	Vote 7 - COMMUNITY SERVICES	Vote 8 - CITY PLANNING AND DEVELOPME NT	Vote 9 - WATER & SANITATION	Vote 10 - INFRASTRUCT URE DEVELOPME NT	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	-	408,085	-	-	-	-	-	-	-	-	-	-	408,085
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	864,397	-	-	-	-	-	864,397
Service charges - water revenue		-	-	-	-	-	-	-	-	58,759	-	-	-	-	-	-	58,759
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	13,570	-	-	-	-	-	-	13,570
Service charges - refuse revenue		-	-	-	-	-	-	85,935	-	-	-	-	-	-	-	-	85,935
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	2,800	-	30	20,125	4,478	-	-	-	-	-	-	-	27,434
Interest earned - external investments		-	-	-	-	9,342	-	-	-	-	-	-	-	-	-	-	9,342
Interest earned - outstanding debtors		-	-	-	-	11,690	-	-	-	-	-	-	-	-	-	-	11,690
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	27,455	-	-	-	-	-	-	-	-	27,455
Licences and permits		-	-	-	-	-	-	2,837	-	-	-	-	-	-	-	-	2,837
Agency services		-	-	-	-	-	-	171,513	-	-	-	-	-	-	-	-	171,513
Other revenue		-	-	-	-	65,570	-	-	-	-	-	-	-	-	-	-	65,570
Transfers recognised - operational		-	-	-	4,707	505,502	-	-	5,973	6,432	101,511	-	-	-	-	-	624,125
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	7,507	1,000,190	30	307,865	10,451	78,761	965,908	-	-	-	-	-	2,370,712
Expenditure By Type																	
Employee related costs		-	10,279	15,780	20,952	63,593	46,004	221,735	31,293	48,824	123,570	-	-	-	-	-	582,030
Remuneration of councillors		31,457	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,457
Debt impairment		-	-	-	-	32,151	-	59,454	-	5,555	22,361	-	-	-	-	-	119,521
Depreciation & asset impairment		138	382	24	43	2,029	4,705	79,999	7,247	77,936	77,089	-	-	-	-	-	249,592
Finance charges		-	-	-	-	45,964	-	-	-	-	-	-	-	-	-	-	45,964
Bulk purchases		-	-	-	-	-	-	-	-	47,236	536,251	-	-	-	-	-	583,487
Other materials		72	121	-	90	147	3,935	13,687	27	5,070	27,832	-	-	-	-	-	50,982
Contracted services		-	-	2,414	34,257	17,491	42,725	118,729	16,057	68,458	77,872	-	-	-	-	-	378,002
Transfers and grants		-	-	-	9,479	2,636	-	2,810	382	61,259	82,481	-	-	-	-	-	159,048
Other expenditure		15,803	8,755	7,645	32,150	11,031	29,181	84,084	8,883	8,612	23,462	-	-	-	-	-	229,606
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		47,471	19,537	25,863	96,971	175,041	126,549	580,498	63,890	322,952	970,918	-	-	-	-	-	2,429,690
Surplus/(Deficit)		(47,471)	(19,537)	(25,863)	(89,464)	825,149	(126,519)	(272,633)	(53,439)	(244,191)	(5,010)	-	-	-	-	-	(58,977)
Transfers recognised - capital		-	-	-	-	-	-	-	42,664	45,946	405,403	-	-	-	-	-	494,013
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(47,471)	(19,537)	(25,863)	(89,464)	825,149	(126,519)	(272,633)	(10,775)	(198,245)	400,393	-	-	-	-	-	435,035

MP322 Mbombela - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

MPS22 Mumbai - Supporting Table SAS Supporting detail to Budgeted Financial Position										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
ASSETS										
Call investment deposits										
Call deposits < 90 days										
Other current investments > 90 days										
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-
Consumer debtors										
Consumer debtors		111,477	106,211	169,028	119,818	163,825	163,825	107,306	116,279	126,424
Less: Provision for debt impairment		-	-	-	-	-	-	-	-	-
Total Consumer debtors	2	111,477	106,211	169,028	119,818	163,825	163,825	107,306	116,279	126,424
Debt impairment provision										
Balance at the beginning of the year				216,729						
Contributions to the provision				68,523						
Bad debts written off				(239,771)						
Balance at end of year		-	-	45,480	-	-	-	-	-	-
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)		5,131,021	5,151,359	7,378,845	5,582,670	5,383,955	5,383,955	5,761,319	6,155,996	6,571,102
Leases recognised as PPE	3			-						
Less: Accumulated depreciation		-		2,026,533						
Total Property, plant and equipment (PPE)	2	5,131,021	5,151,359	5,352,312	5,582,670	5,383,955	5,383,955	5,761,319	6,155,996	6,571,102
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)		-	-							
Current portion of long-term liabilities		14,260	16,017	21,812	18,600	21,158	21,158	20,410	21,596	17,209
Total Current liabilities - Borrowing		14,260	16,017	21,812	18,600	21,158	21,158	20,410	21,596	17,209
Trade and other payables										
Trade and other creditors		478,673	504,266	679,598	213,560	362,323	362,323	338,014	356,877	380,450
Unspent conditional transfers		138,521	295,056	384,996	142,233	34,991	34,991	-	-	-
VAT		5,909	-	-	-	-	-	-	-	-
Total Trade and other payables	2	623,103	799,321	1,064,595	355,793	397,314	397,314	338,014	356,877	380,450
Non current liabilities - Borrowing										
Borrowing	4	189,428	225,069	255,626	339,393	307,643	307,643	287,233	265,637	248,428
Finance leases (including PPP asset element)		-	1,448							
Total Non current liabilities - Borrowing		189,428	226,517	255,626	339,393	307,643	307,643	287,233	265,637	248,428
Provisions - non-current										
Retirement benefits		141,544	172,676	189,369				261,728	277,276	292,824
List other major provision items										
Refuse landfill site rehabilitation				88,716	194,019	246,180	246,180			
Other		80,443	86,401	2,483	106,160	90,491	90,491	91,882	93,273	94,664
Total Provisions - non-current		221,987	259,077	280,569	300,179	336,671	336,671	353,610	370,549	387,488
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance		4,716,670	4,629,530	4,421,718	4,883,709	4,473,497	4,473,497	4,935,317	5,370,352	5,917,564
GRAP adjustments		-	-	-	-	-	-			
Restated balance		4,716,670	4,629,530	4,421,718	4,883,709	4,473,497	4,473,497	4,935,317	5,370,352	5,917,564
Surplus/(Deficit)		(119,639)	(171,886)	51,778	382,499	461,820	461,820	435,035	547,212	645,997
Appropriations to Reserves										
Transfers from Reserves										
Depreciation offsets										
Other adjustments										
Accumulated Surplus/(Deficit)	1	4,597,030	4,457,644	4,473,497	5,266,208	4,935,317	4,935,317	5,370,352	5,917,564	6,563,561
Reserves										
Housing Development Fund										
Capital replacement										
Self-insurance										
Other reserves										
Revaluation										
Total Reserves	2	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	4,597,030	4,457,644	4,473,497	5,266,208	4,935,317	4,935,317	5,370,352	5,917,564	6,563,561

MP322 Mbombela - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Mr S22 Mbombela - Supporting Table 3A4 Reconciliation of IDP Strategic Objectives and Budget (Revenue)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
To initiate a strong and sustainable Local/Regional Economic Development Potential and sustainable Environmental Management	Economic Development			41,002	43,462	44,332	61,888	63,126	63,126	68,807	75,000	81,750	
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlement supported by Infrastructure Development	Infrastructure & sustainable services			671,346	711,627	1,115,395	1,292,155	1,383,676	1,383,676	1,425,186	1,510,697	1,586,232	
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			151,354	160,436	148,404	105,680	107,794	107,794	111,028	117,690	127,105	
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			40,764	43,210	44,074	56,481	57,610	57,610	59,338	62,899	64,786	
To ensure legally sound Financial viability and Management	Financial management & viability			771,445	747,763	814,447	1,047,839	1,134,473	1,134,473	1,200,365	1,335,660	1,520,679	
				-	-	-	-	-	-	-	-	-	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	1,675,912	1,706,498	2,166,652	2,564,044	2,746,679	2,746,679	2,864,725	3,101,946	3,380,551

MP322 Mbombela - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

MP322 Mbombela - Supporting Table SAs Reconciliation of RDP Strategic Objectives and Budget (Operating Expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
To initiate a strong and sustainable Local/Regional Economic Development Outcomes and sustainable	Economic Development			104,747	109,984	113,284	57,479	59,203	59,203	59,796	65,775	72,353	
				-	-		-						
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Settlements supported by	Infrastructure & sustainable services			909,082	916,908	1,101,424	1,076,200	1,097,724	1,097,724	1,177,517	1,227,755	1,327,461	
				-	-		-			-	-	-	
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development			351,013	368,564	532,487	543,847	612,144	612,144	661,116	714,005	771,125	
				-	-		-	-	-				
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation			73,488	77,163	214,705	322,995	332,685	332,685	342,666	352,946	363,534	
				-	-	-	-						
To ensure legally sound Financial viability and Management	Financial management & viability			357,220	375,081	152,975	181,023	183,103	183,103	188,596	194,254	200,081	
				-	-		-						
Allocations to other priorities													
Total Expenditure				1	1,795,551	1,847,700	2,114,874	2,181,545	2,284,859	2,284,859	2,429,690	2,554,734	2,734,554

MP322 Mbombela - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
To initiate a strong and sustainable Local/Regional Economic Development	Economic Development	A		16,349	9,097	7,973	27,140	68,975	68,975	55,424	64,539	56,290
		B		-	-	-	-	-				
To strengthen the Delivery of Basic Services and ensure sustained Intergrated Human Capital development	Infrastructure & sustainable services	C		142,758	202,970	472,776	503,916	679,242	679,242	515,221	524,769	536,408
		D		-		-						
To formulate a Broad Over-arching Human Capital and Community Development	Human capital & community development	E		35,663	6,591	20,651	29,942	34,862	34,862	26,620	31,771	38,859
		F		-		-			-	-	-	
To build strong sustainable governance and institutional structures and arrangements	Institutional development & transformation	G		1,247	6,566	7,340	14,478	15,466	15,466	17,866	20,174	44,017
		H		-								
To ensure legally sound Financial viability and Management	Financial management & viability	I		41,394	5,511	7,202	6,939	8,993	8,993	11,824	13,000	9,491
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	237,412	230,736	515,942	582,416	807,538	807,538	626,955	654,252	685,065

MP322 Mbombela - Supporting Table SA8 Performance indicators and benchmarks

		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>										
Credit Rating		A2 za	A2 za	Baa1.za	Baa1.za	Baa1.za	Baa1.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.4%	3.6%	3.7%	3.3%	3.3%	3.3%	2.8%	2.5%	2.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7.0%	5.8%	5.9%	4.6%	4.8%	4.8%	3.8%	3.4%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	21.9%	102.4%	70.7%	31.2%	24.4%	24.4%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	0.3	0.3	0.3	1.0	1.0	1.0	1.1	1.5	2.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.3	0.3	0.3	1.0	1.0	1.0	1.1	1.5	2.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.1	0.1	0.7	0.4	0.4	0.6	0.9	1.4
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.5%	102.0%	96.8%	102.0%	111.2%	98.9%	92.6%	94.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.5%	102.0%	96.2%	102.0%	95.3%	95.3%	92.6%	94.5%	94.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.0%	10.6%	17.0%	5.6%	11.1%	11.1%	7.5%	7.5%	7.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	90.0%	92.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		2447.4%	524.7%	716.5%	77.7%	213.4%	213.4%	150.8%	95.4%	63.3%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	69587166.4	50038047	75018795	71267855.25	71267855.25	71267855.25	67704462.49	64319239.36	61103277.39
	Total Cost of Losses (Rand '000)	39,665	34,526	54,014	51,313	51,313	51,313	48,747	46,310	43,994
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-	-	-	-	-	-	-	-
Water Distribution Losses (2)	Total Volume Losses (kℓ)	990	1,271	1,054	1,001	1,001	1,001	951	903	858
	Total Cost of Losses (Rand '000)	2731865	3913734	4161404	3953334	3953334	3953334	3755667	3567884	3389490
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-	-	-	-	-	-	-	-
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.7%	30.1%	29.6%	25.3%	25.3%	25.3%	24.6%	24.2%	23.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.1%	31.8%	31.2%	26.7%	26.7%	26.7%	25.9%	25.5%	25.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.9%	10.1%	10.5%	8.9%	9.0%	9.0%	8.4%	7.9%	7.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	19.1%	17.9%	16.2%	11.4%	13.1%	13.1%	12.5%	11.7%	10.9%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	57.8	42.8	36.3	39.0	39.0	39.0	39.7	39.7	43.5
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.2%	16.0%	21.2%	9.2%	18.2%	18.2%	12.2%	12.4%	12.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.2	0.8	0.7	1.8	1.1	1.1	1.4	2.1	3.2

MP322 Mbombela - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			477		589	589	589	589	589	601	613	625
Females aged 5 - 14					87	87	89	91	92	94	96	98
Males aged 5 - 14					89	89	91	92	94	96	98	100
Females aged 15 - 34					120	120	122	124	127	129	132	135
Males aged 15 - 34					117	117	119	121	124	126	129	131
Unemployment					165	165	165	165	165	165	165	165
Monthly household income (no. of households)	1, 12											
No income				-	76,543	76,543	76,543	76,543	78,074	79,636	81,228	82,853
R1 - R1 600				-	14,720	14,720	14,720	14,720	15,014	15,315	15,621	15,927
R1 601 - R3 200				-	14,720	14,720	14,720	14,720	15,014	15,315	15,621	15,927
R3 201 - R6 400				-	47,104	47,104	47,104	47,104	48,046	49,007	49,967	50,927
R6 401 - R12 800				-	105,983	105,983	105,983	105,983	108,103	110,265	112,427	114,589
R12 801 - R25 600				-	123,647	123,647	123,647	123,647	126,120	128,642	131,215	133,787
R25 601 - R51 200				-	76,543	76,543	76,543	76,543	78,074	79,636	81,228	82,853
R52 201 - R102 400				-	52,991	52,991	52,991	52,991	54,051	55,132	56,235	57,338
R102 401 - R204 800				-	41,216	41,216	41,216	41,216	42,040	42,881	43,722	44,563
R204 801 - R409 600				-	23,552	23,552	23,552	23,552	24,023	24,503	24,983	25,463
R409 601 - R819 200				-	8,243	8,243	8,243	8,243	8,408	8,576	8,744	8,912
> R819 200				-	2,355	2,355	2,355	2,355	2,402	2,450	2,498	2,546
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area					161,773	162	162	162	162	165	168	172
Number of poor people in municipal area												
Number of households in municipal area					161,773	162	162	162	162	165	168	172
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics	3											
Formal					150,449	150,449	150,449	150,449	150,449	153,458	156,527	159,658
Informal					11,324	11,324	11,324	11,324	11,324	10,758	10,220	9,709
Total number of households					161,773	161,773	161,773	161,773	161,773	164,216	166,747	169,367
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings					-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						5.7%	5.8%	5.6%	5.5%	6.6%	6.2%	5.9%
Interest rate - borrowing						4.2%	4.5%	4.5%	3.5%	2.8%	2.5%	2.0%
Interest rate - investment												
Remuneration increases						6.9%	6.8%	6.0%	7.0%	6.0%	7.2%	6.9%
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges						95.0%	93.0%	95.0%	95.0%	92.0%	94.0%	94.0%
Rental of facilities & equipment						95.0%	93.0%	95.0%	95.0%	92.0%	94.0%	94.0%
Interest - external investments						95.0%	93.0%	95.0%	95.0%	92.0%	94.0%	94.0%
Interest - debtors						95.0%	93.0%	95.0%	95.0%	92.0%	94.0%	94.0%
Revenue from agency services						95.0%	93.0%	95.0%	95.0%	92.0%	94.0%	94.0%

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	60,003	61,803	63,657	66,840	66,840	66,840	70,182	73,691	77,376
		Piped water inside yard (but not in dwelling)	45,285	46,644	48,043	50,445	50,445	50,445	52,967	55,616	58,396
		Using public tap (at least min.service level)	35,581	36,648	37,748	39,635	39,635	39,635	41,617	43,698	45,883
		Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	140,869	145,095	149,448	156,920	156,920	156,920	164,766	173,005	181,655
		Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
		Other water supply (< min.service level)	20,864	21,490	22,135	23,241	23,241	23,241	24,403	25,624	26,905
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	20,864	21,490	22,135	23,241	23,241	23,241	24,403	25,624	26,905
		Total number of households	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	45,285	46,644	48,043	50,445	50,445	50,445	52,967	55,616	58,396
		Flush toilet (with septic tank)	6,469	6,663	6,863	7,206	7,206	7,206	7,566	7,945	8,342
		Chemical toilet	3,235	3,332	3,432	3,604	3,604	3,604	3,784	3,973	4,172
		Pit toilet (ventilated)	21,025	21,656	22,305	23,421	23,421	23,421	24,592	25,821	27,112
		Other toilet provisions (> min.service level)	71,163	73,298	75,497	79,272	79,272	79,272	83,235	87,397	91,767
		Minimum Service Level and Above sub-total	147,177	151,592	156,140	163,947	163,947	163,947	172,144	180,752	189,789
		Bucket toilet	–	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	14,556	14,993	15,442	16,215	16,215	16,215	17,025	17,877	18,770
		No toilet provisions	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	14,556	14,993	15,442	16,215	16,215	16,215	17,025	17,877	18,770
		Total number of households	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
		Energy:									
		Electricity (at least min.service level)	145,560	149,927	154,425	162,146	162,146	162,146	170,253	178,766	187,704
		Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	145,560	149,927	154,425	162,146	162,146	162,146	170,253	178,766	187,704
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min.service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	16,173	16,658	17,158	18,016	18,016	18,016	18,917	19,862	20,856
		Below Minimum Service Level sub-total	16,173	16,658	17,158	18,016	18,016	18,016	18,917	19,862	20,856
		Total number of households	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
		Refuse:									
		Removed at least once a week	46,903	48,310	49,759	52,247	52,247	52,247	54,860	57,603	60,483
		Minimum Service Level and Above sub-total	46,903	48,310	49,759	52,247	52,247	52,247	54,860	57,603	60,483
		Removed less frequently than once a week	1,617	1,666	1,715	1,801	1,801	1,801	1,891	1,986	2,085
		Using communal refuse dump	3,235	3,332	3,432	3,604	3,604	3,604	3,784	3,973	4,172
		Using own refuse dump	97,040	99,951	102,960	108,097	108,097	108,097	113,502	119,177	125,136
		Other rubbish disposal	11,321	11,661	12,010	12,611	12,611	12,611	13,242	13,904	14,599
		No rubbish disposal	1,617	1,666	1,715	1,801	1,801	1,801	1,891	1,986	2,085
		Below Minimum Service Level sub-total	114,830	118,275	121,823	127,914	127,914	127,914	134,310	141,026	148,077
		Total number of households	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
Municipal in-house services		Household service targets (000)									
		Water:									
		Piped water inside dwelling	60,003	61,803	63,657	66,840	66,840	66,840	70,182	73,691	77,376
		Piped water inside yard (but not in dwelling)	45,285	46,644	48,043	50,445	50,445	50,445	52,967	55,616	58,396
		Using public tap (at least min.service level)	35,581	36,648	37,748	39,635	39,635	39,635	41,617	43,698	45,883
		Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	140,869	145,095	149,448	156,920	156,920	156,920	164,766	173,005	181,655
		Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
		Other water supply (< min.service level)	20,864	21,490	22,135	23,241	23,241	23,241	24,403	25,624	26,905
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	20,864	21,490	22,135	23,241	23,241	23,241	24,403	25,624	26,905
		Total number of households	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	45,285	46,644	48,043	50,445	50,445	50,445	52,967	55,616	58,396
		Flush toilet (with septic tank)	6,469	6,663	6,863	7,206	7,206	7,206	7,566	7,945	8,342
		Chemical toilet	3,235	3,332	3,432	3,604	3,604	3,604	3,784	3,973	4,172
		Pit toilet (ventilated)	21,025	21,656	22,305	23,421	23,421	23,421	24,592	25,821	27,112
		Other toilet provisions (> min.service level)	71,163	73,298	75,497	79,272	79,272	79,272	83,235	87,397	91,767
		Minimum Service Level and Above sub-total	147,177	151,592	156,140	163,947	163,947	163,947	172,144	180,752	189,789
		Bucket toilet	–	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	14,556	14,993	15,442	16,215	16,215	16,215	17,025	17,877	18,770
		No toilet provisions	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	14,556	14,993	15,442	16,215	16,215	16,215	17,025	17,877	18,770
		Total number of households	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
		Energy:									
		Electricity (at least min.service level)	145,560	149,927	154,425	162,146	162,146	162,146	170,253	178,766	187,704
		Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	145,560	149,927	154,425	162,146	162,146	162,146	170,253	178,766	187,704
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min.service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	16,173	16,658	17,158	18,016	18,016	18,016	18,917	19,862	20,856
		Below Minimum Service Level sub-total	16,173	16,658	17,158	18,016	18,016	18,016	18,917	19,862	20,856
		Total number of households	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560
		Refuse:									
		Removed at least once a week	46,903	48,310	49,759	52,247	52,247	52,247	54,860	57,603	60,483
		Minimum Service Level and Above sub-total	46,903	48,310	49,759	52,247	52,247	52,247	54,860	57,603	60,483
		Removed less frequently than once a week	1,617	1,666	1,715	1,801	1,801	1,801	1,891	1,986	2,085
		Using communal refuse dump	3,235	3,332	3,432	3,604	3,604	3,604	3,784	3,973	4,172
		Using own refuse dump	97,040	99,951	102,960	108,097	108,097	108,097	113,502	119,177	125,136
		Other rubbish disposal	11,321	11,661	12,010	12,611	12,611	12,611	13,242	13,904	14,599
		No rubbish disposal	1,617	1,666	1,715	1,801	1,801	1,801	1,891	1,986	2,085
		Below Minimum Service Level sub-total	114,830	118,275	121,823	127,914	127,914	127,914	134,310	141,026	148,077
		Total number of households	161,733	166,585	171,583	180,162	180,162	180,162	189,170	198,628	208,560

MP322 Mbombela Supporting Table SA10 Funding measurement											
Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	1	19,558	96,112	94,844	274,737	169,805	169,805	224,116	374,082	601,218
Cash + investments at the yr end less applications - R'000	18(1)b	2	(456,779)	(541,943)	(702,857)	56,731	13,530	13,530	68,331	220,329	446,690
Cash year end/monthly employee/supplier payments	18(1)b	3	0.2	0.8	0.7	1.8	1.1	1.1	1.4	2.1	3.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(119,639)	(171,886)	51,778	382,499	461,820	461,820	435,035	547,212	645,997
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	3.9%	6.3%	7.9%	(6.0%)	(6.0%)	6.0%	2.4%	2.7%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	84.5%	89.9%	84.4%	100.4%	94.2%	94.2%	92.4%	94.0%	94.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	8.9%	4.9%	7.9%	5.8%	6.2%	6.2%	8.4%	6.5%	6.6%
Capital payments % of capital expenditure	18(1)c;19	8	99.7%	99.5%	100.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	20.7%	94.8%	67.6%	30.5%	23.8%	23.8%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10							100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	8.7%	48.8%	(50.6%)	98.4%	0.0%	(25.2%)	10.4%	11.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(8.2%)	12723.7%	(99.3%)	(100.0%)	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.6%	3.0%	3.4%	3.5%	3.6%	3.6%	3.5%	3.3%	3.2%
Asset renewal % of capital budget	20(1)(vi)	14	31.3%	30.1%	44.8%	47.5%	60.1%	60.1%	51.0%	55.5%	56.1%
References											
1. Positive cash balances indicative of minimum compliance - subject to 2											
2. Deduct cash and investment applications (defined) from cash balances											
3. Indicative of sufficient liquidity to meet average monthly operating payments											
4. Indicative of funded operational requirements											
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)											
6. Realistic average cash collection forecasts as % of annual billed revenue											
7. Realistic average increase in debt impairment (doubtful debt) provision											
8. Indicative of planned capital expenditure level & cash payment timing											
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing											
10. Substantiation of National/Province allocations included in budget											
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)											
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)											
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection											
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection											
Supporting indicators											
% incr total service charges (incl prop rates)	18(1)a			9.9%	12.3%	13.9%	0.0%	0.0%	12.0%	8.4%	8.7%
% incr Property Tax	18(1)a			6.0%	15.5%	11.4%	0.0%	0.0%	9.1%	6.2%	6.2%
% incr Service charges - electricity revenue	18(1)a			12.0%	10.7%	15.1%	0.0%	0.0%	12.9%	8.0%	8.0%
% incr Service charges - water revenue	18(1)a			11.4%	10.3%	41.5%	0.0%	0.0%	37.0%	35.0%	35.0%
% incr Service charges - sanitation revenue	18(1)a			4.9%	18.7%	(12.2%)	0.0%	0.0%	(18.0%)	(18.0%)	(18.0%)
% incr Service charges - refuse revenue	18(1)a			10.2%	11.3%	8.9%	0.0%	0.0%	9.0%	8.2%	8.5%
% incr in Service charges - other	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		909,491	999,847	1,122,492	1,277,999	1,277,999	1,277,999	1,430,745	1,550,383	1,685,647
Service charges			909,491	999,847	1,122,492	1,277,999	1,277,999	1,277,999	1,430,745	1,550,383	1,685,647
Property rates			274,262	290,608	335,674	374,063	374,063	374,063	408,085	433,386	460,256
Service charges - electricity revenue			536,399	600,817	665,203	765,628	765,628	765,628	864,397	933,549	1,008,233
Service charges - water revenue			24,667	27,482	30,319	42,890	42,890	42,890	58,759	79,324	107,088
Service charges - sanitation revenue			15,134	15,874	18,846	16,548	16,548	16,548	13,570	11,127	9,124
Service charges - refuse removal			59,029	65,066	72,450	78,870	78,870	78,870	85,935	92,997	100,946
Service charges - other			-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			18,266	18,592	22,516	28,061	24,494	24,494	27,434	30,726	34,413
Capital expenditure excluding capital grant funding			73,624	54,626	83,403	145,825	218,969	218,969	132,943	151,061	172,172
Cash receipts from ratepayers	18(1)a		951,493	1,057,797	1,110,063	1,575,633	1,470,869	1,470,869	1,606,033	1,781,163	1,951,410
Ratepayer & Other revenue	18(1)a		1,125,464	1,176,567	1,314,951	1,568,873	1,560,618	1,560,618	1,737,245	1,895,627	2,076,843
Change in consumer debtors (current and non-current)			65,836	12,986	134,779	(177,965)	(60,528)	(60,528)	57,529	18,418	23,261
Operating and Capital Grant Revenue	18(1)a		550,448	529,931	842,037	981,306	1,173,330	1,173,330	1,118,138	1,195,856	1,291,990
Capital expenditure - total	20(1)(vi)		237,412	230,736	515,942	582,416	807,538	807,538	626,955	654,252	685,065
Capital expenditure - renewal	20(1)(vi)		74,389	69,523	231,137	276,420	485,420	485,420	319,713	363,157	384,272
Supporting benchmarks											
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY									624,125	692,665	779,097
DoRA capital grants total MFY									494,013	503,191	512,893
Provincial operating grants									-	-	-
Provincial capital grants									-	-	-
District Municipality grants									-	-	-
Total gazetted/adv ised national, provincial and district grants									1,118,138	1,195,856	1,291,990
Average annual collection rate (arrears inclusive)											
DoRA operating											
<i>Equitable Share</i>											
Financial Management Grant (FMG)									503,877	544,750	599,347
Expanded Public Works Programme									1,625	1,700	1,828
Other Grants (Vat , Mig, PTNG)									4,707	-	-
									113,916	146,215	177,922
									624,125	692,665	779,097
DoRA capital											
<i>Municipal Infrastructure Grant (MIG)</i>											
Water Services Infrastructure Grant									250,112	262,439	278,470
Neighbourhood Development Partnership Grant									45,946	61,905	74,869
Public Transport Infrastructure and Systems Grant & INEP									42,664	50,686	41,325
									155,291	128,161	118,229
									494,013	503,191	512,893
Trend											
Change in consumer debtors (current and non-current)			65,836	12,986	134,779	(60,528)	57,529	18,418	-	-	-

Total Operating Revenue			1,507,635	1,535,855	1,757,432	2,157,452	2,147,187	2,147,187	2,370,712	2,598,755	2,867,658
Total Operating Expenditure			1,795,551	1,878,384	2,114,874	2,181,545	2,284,859	2,284,859	2,429,690	2,554,734	2,734,554
Operating Performance Surplus/(Deficit)			(287,916)	(342,529)	(357,442)	(24,093)	(137,672)	(137,672)	(58,977)	44,021	133,104
Cash and Cash Equivalents (30 June 2012)									224,116		
Revenue											
% Increase in Total Operating Revenue				1.9%	14.4%	22.8%	(0.5%)	0.0%	10.4%	9.6%	10.3%
% Increase in Property Rates Revenue				6.0%	15.5%	11.4%	0.0%	0.0%	9.1%	6.2%	6.2%
% Increase in Electricity Revenue				12.0%	10.7%	15.1%	0.0%	0.0%	12.9%	8.0%	8.0%
% Increase in Property Rates & Services Charges				9.9%	12.3%	13.9%	0.0%	0.0%	12.0%	8.4%	8.7%
Expenditure											
% Increase in Total Operating Expenditure				4.6%	12.6%	3.2%	4.7%	0.0%	6.3%	5.1%	7.0%
% Increase in Employee Costs				10.7%	12.5%	4.8%	(0.4%)	0.0%	7.0%	8.2%	7.9%
% Increase in Electricity Bulk Purchases				4.4%	5.2%	1.5%	3.2%	0.0%	11.1%	9.7%	9.7%
Average Cost Per Budgeted Employee Position (Remuneration)					328438.0644	275525.8965			288991.9309		
Average Cost Per Councillor (Remuneration)					0	0			0		
R&M % of PPE			2.6%	3.0%	3.4%	3.5%	3.6%	3.6%	3.5%	3.3%	3.2%
Asset Renewal and R&M as a % of PPE			4.0%	4.0%	7.0%	8.0%	12.0%	12.0%	9.0%	9.0%	9.0%
Debt Impairment % of Total Billable Revenue			8.9%	4.9%	7.9%	5.8%	6.2%	6.2%	8.4%	6.5%	6.6%
Capital Revenue											
Internally Funded & Other (R'000)			45,127	39,694	42,883	110,544	171,185	171,185	132,943	151,061	172,172
Borrowing (R'000)			28,497	15,044	40,520	35,280	47,785	47,785	-	-	-
Grant Funding and Other (R'000)			163,788	176,109	432,539	436,592	588,569	588,569	494,013	503,191	512,893
Internally Generated funds % of Non Grant Funding			61.3%	72.5%	51.4%	75.8%	78.2%	78.2%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			38.7%	27.5%	48.6%	24.2%	21.8%	21.8%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			69.0%	76.3%	83.8%	75.0%	72.9%	72.9%	78.8%	76.9%	74.9%
Capital Expenditure											
Total Capital Programme (R'000)			237,412	230,847	515,942	582,416	807,538	807,538	626,955	654,252	685,065
Asset Renewal			74,389	69,523	231,137	276,420	485,420	485,420	319,713	363,157	384,272
Asset Renewal % of Total Capital Expenditure			31.3%	30.1%	44.8%	47.5%	60.1%	60.1%	51.0%	55.5%	56.1%
Cash											
Cash Receipts % of Rate Payer & Other			84.5%	89.9%	84.4%	100.4%	94.2%	94.2%	92.4%	94.0%	94.0%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0
Borrowing											
Credit Rating (2009/10)									Baa1.za		
Capital Charges to Operating			4.4%	3.6%	3.7%	3.3%	3.3%	3.3%	2.8%	2.5%	2.3%
Borrowing Receipts % of Capital Expenditure			20.7%	94.8%	67.6%	30.5%	23.8%	23.8%	0.0%	0.0%	0.0%
Reserves											
Surplus/(Deficit)			(456,779)	(541,943)	(702,857)	56,731	13,530	13,530	68,331	220,329	446,690
Free Services											
Free Basic Services as a % of Equitable Share			15.9%	15.4%	30.5%	32.5%	34.3%	34.3%	31.6%	31.1%	30.1%
Free Services as a % of Operating Revenue (excl operational transfers)			11.3%	11.5%	11.9%	10.6%	10.7%	10.7%	10.3%	10.1%	9.8%
High Level Outcome of Funding Compliance											
Total Operating Revenue			1,507,635	1,535,855	1,757,432	2,157,452	2,147,187	2,147,187	2,370,712	2,598,755	2,867,658
Total Operating Expenditure			1,795,551	1,878,384	2,114,874	2,181,545	2,284,859	2,284,859	2,429,690	2,554,734	2,734,554
Surplus/(Deficit) Budgeted Operating Statement			(287,916)	(342,529)	(357,442)	(24,093)	(137,672)	(137,672)	(58,977)	44,021	133,104
Surplus/(Deficit) Considering Reserves and Cash Backing			(456,779)	(541,943)	(702,857)	56,731	13,530	13,530	68,331	220,329	446,690
MTREF Funded (1) / Unfunded (0)	15	0	0	0	0	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	✗	✗	✗	✗	✓	✓	✓	✓	✓	✓

MP322 Mbombela - Supporting Table SA11 Property rates summary

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Valuation:	1									
Date of valuation:										
Financial year valuation used					2014/15			2014/2015		
Municipal by-laws s6 in place? (Y/N)	2				Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)					Yes			Yes		
Municipal partnership s38 used? (Y/N)					N	N	N	No	No	No
No. of assistant valuers (FTE)	3				–	–	–			
No. of data collectors (FTE)	3				–	–	–			
No. of internal valuers (FTE)	3				4	4	4			
No. of external valuers (FTE)	3				1	1	1			
No. of additional valuers (FTE)	4				–	–	–			
Valuation appeal board established? (Y/N)					Yes					
Implementation time of new valuation roll (mths)					36					
No. of properties	5	63,000	63,000	63,300	62,678	62,678	62,678	64,955	64,955	64,955
No. of sectional title values	5	4,672	4,672	4,805	4,984	4,984	4,984	5,184	5,184	5,184
No. of unreasonably difficult properties s7(2)					–	–	–	–	–	–
No. of supplementary valuations		1	1	1	2	2	2			
No. of valuation roll amendments		701	701	–	–	–	–	–	–	–
No. of objections by rate payers		66	66	–	50	50	50	–	–	–
No. of appeals by rate payers		4	4	–	5	5	5	–	–	–
No. of successful objections	8			–	–	–	–	–	–	–
No. of successful objections > 10%	8			–	–	–	–	–	–	–
Supplementary valuation		1	1	1	2	2	2	1	1	1
Public service infrastructure value (Rm)	5	43	43	43	117	117	117	109	109	109
Municipality owned property value (Rm)		2,240	2,240	3,161	908	908	908	785	785	785
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		11	11		35	35	35	44	44	44
Valuation reductions-nature reserves/park (Rm)		6	6	6	12	12	12			
Valuation reductions-mineral rights (Rm)		–	–	358	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		670	670	669	877	877	877	837	837	837
Valuation reductions-public worship (Rm)		328	328	358	354	354	354	371	371	371
Valuation reductions-other (Rm)		2,250	2,250		3,507	3,507	3,507	3,088	3,088	3,088
Total valuation reductions:		3,264	3,264	1,391	4,785	4,785	4,785	4,340	4,340	4,340
Total value used for rating (Rm)	5	36,685	36,685	37,012	42,923	42,923	42,923	42,234	42,234	42,234
Total land value (Rm)	5	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	5	–	–	–	–	–	–	–	–	–
Total market value (Rm)	5	36,685	36,685	37,012	42,923	42,923	42,923	42,234	42,234	42,234
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		No	No	No	No			No		
Special rating area used? (Y/N)		No	No	No	No			No		
Phasing-in properties s21 (number)		4739						0		
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)								–		
Non-residential prescribed ratio s19? (%)								0.0%		
Rate revenue:										
Rate revenue budget (R'000)	6	274,262	290,608					404,054	429,509	456,568
Rate revenue expected to collect (R'000)	6	–	–					371,730	403,739	429,174
Expected cash collection rate (%)		93.0%	91.0%					92.0%	94.0%	94.0%
Special rating areas (R'000)	7							–	–	–
Rebates, exemptions - indigent (R'000)								5,162	5,162	5,162
Rebates, exemptions - pensioners (R'000)								3,441	3,441	3,441
Rebates, exemptions - bona fide farm. (R'000)								–	–	–
Rebates, exemptions - other (R'000)								163,454	163,454	163,454
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,eductns,discs (R'000)		–	–	–	–	–	–	172,057	172,057	172,057

MP322 Mboombela - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/nts	Public benefit organs.	Mining Props.
Current Year 2015/16																	
Valuation:																	
No. of properties		53,931	-	2,065	3,740	295	1,600	407	-	-	-	-	-	4	-	12	-
No. of sectional title property values		4,492	-	492	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		436	-	175	211	6	-	26	-	-	-	-	-	-	-	6	-
Supplementary valuation (Rm)		#####	-	#####	#####	#####	#####	68,135,000	-	-	-	-	-	-	-	80,800,000	-
No. of valuation roll amendments		436	-	175	211	6	13	26	-	-	-	-	-	-	-	6	-
No. of objections by rate-payers		894	-	221	92	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		43	-	22	12	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	400	-	99	43	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	149	-	75	15	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		1		1	1	1	1	1	0	0	0	0	0	0	0	0	0
Frequency of valuation (select)		4		4	4	4	4	4	0	0	0	0	0	0	0	0	0
Method of valuation used (select)		Market		Market	Market	Dep.Replace	Dep.Replace	Dep.Replace	0	0	0	0	0	0	0	0	0
Base of valuation (select)		Land & impr.		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	0	0	0	0	0	0	0	0	0
Phasing-in properties s21 (number)		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Yes		Yes	Yes	Yes	Yes	Yes	0	0	0	0	0	0	0	0	0
Flat rate used? (Y/N)		No		No	No	No	No	No	0	0	0	0	0	0	0	0	0
Is balance rated by uniform rate/variable rate?		Variable		Variable	Variable	Variable	Variable	Variable	0	0	0	0	0	0	0	0	0
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	3,809	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:																	
Total value used for rating (Rm)	6	20,896		11,287	6,312	1,871	-	0									
Total land value (Rm)	6	-					-	-									
Total value of improvements (Rm)	6	-					-	-									
Total market value (Rm)	6	25,584					0	0	351		159					0	
Rating:																	
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates,exemptns,eductns,discs (R'000)																	

MP322 Mbombela - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2016/17																	
Valuation:																	
No. of properties		51,136	-	2,093	3,725	280	1,437	406	-	484	-	-	-	-	-	22	
No. of sectional title property values		4,667	-	517	-	10	-	-	-	-	-	-	-	-	-	-	
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Years since last valuation (select)		2		2	2	2	2	2	2	2	2	2	2	2	2	2	
Frequency of valuation (select)		4		4	4	4	4	4	4	4	4	4	4	4	4	4	
Method of valuation used (select)		Market		Market	Market	Market	Market	Market	Market	Dep.Replace	Market	Market	Market	Market	Market	Dep.Replace	
Base of valuation (select)		Land & impr.		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	
Phasing-in properties s21 (number)		0		0	0	0	0	0	0	0	0	0	0	0	0	0	
Combination of rating types used? (Y/N)		Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Fiat rate used? (Y/N)		No		No	No	No	No	No	No	No	NO	Yes	Yes	Yes	Yes	No	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		-		-	-	-	-	44	-	-	-	-	-	-	-	-	
Valuation reductions-nature reserves/park (Rm)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-mineral rights (Rm)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-R15,000 threshold (Rm)		837		-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-public worship (Rm)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-other (Rm)	2	3,088		-	-	-	785	-	-	-	-	-	-	-	-	-	
Total valuation reductions:																	
Total value used for rating (Rm)	6	21,586		11,861	6,354	1,922	-	66	-	214	-	-	-	-	-	188	
Total land value (Rm)	6	-		-	-	-	-	-	-	-	-	-	-	-	-	-	
Total value of improvements (Rm)	6	-		-	-	-	-	-	-	-	-	-	-	-	-	-	
Total market value (Rm)	6	21,586		11,861	6,354	1,922	-	66	-	21	-	-	-	-	-	188	
Rating:																	
Average rate	3	0.896100		2.240100	0.224000	2.688100	-	0.224000	-	1.258500	-	-	-	-	-	0.224000	
Rate revenue budget (R'000)		134,822		200,328	14,324	51,676	-	147	-	2,428	-	-	-	-	-	422	
Rate revenue expected to collect (R'000)		128,081		190,311	13,521	49,092	-	139	-	2,306	-	-	-	-	-	401	
Expected cash collection rate (%)	4	92.0%		92.0%	92.0%	92.0%	0.0%	92.0%	0.0%	92.0%	0.0%	0.0%	0.0%	0.0%	0.0%	92.0%	
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)		5,162		-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - pensioners (R'000)		3,441		-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - bona fide farm. (R'000)		-		-	2,135	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - other (R'000)		83,046		77,905	-	-	-	-	-	270	-	-	-	-	-	-	
Phase-in reductions/discounts (R'000)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	
Total rebates,exemptns,eductns,discs (R'000)																	

MP322 Mbombela - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
							Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Property rates (rate in the Rand)	1								
Residential properties			0.7432	0.7915	0.7915	0.8390	0.8944	0.9498	1.0059
Residential properties - vacant land			2.2295	1.1873	0.7915	0.8390	0.8944	0.9498	1.0059
Formal/informal settlements			0.7432	0.7915	0.7915	0.8390	0.8944	0.9498	1.0059
Small holdings			1.1147	1.1873	0.1979	0.2098	0.2236	0.2375	0.2515
Farm properties - used			0.1858	0.1979	0.1979	0.2098	0.2236	0.2375	0.2515
Farm properties - not used			1.1858	0.1979	0.1979	0.2098	0.2236	0.2375	0.2515
Industrial properties			1.8579	1.9788	1.9788	2.0975	2.2360	2.3746	2.5147
Business and commercial properties			1.8579	1.9788	1.9788	2.0975	2.2360	2.3746	2.5147
Communal land - residential			-	-	-	-	-	-	-
Communal land - small holdings			-	-	-	-	-	-	-
Communal land - farm property			-	-	-	-	-	-	-
Communal land - business and commercial			-	-	-	-	-	-	-
Communal land - other			-	-	-	-	-	-	-
State-owned properties			2.2295	2.3745	2.3745	2.5170	2.6831	2.8494	3.0176
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			0.1858	0.1979	0.1979	0.2098	0.2236	0.2375	0.2515
Privately owned towns serviced by the State trust land			1.1147	1.1873	1.1873	1.2585	1.3416	1.4248	1.5088
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate			80,000	80,000	80,000	80,000	80,000	80,000	80,000
Indigent rebate or exemption			100	100	100	100	100	100	100
Pensioners/social grants rebate or exemption			100	100	100	100	100	100	100
Temporary relief rebate or exemption			-	-	-	-	-	-	-
Bona fide farmers rebate or exemption			45	8	8	8	8	8	8
Other rebates or exemptions	2		-	-	-	-	-	-	-
Water tariffs									
Domestic									
Basic charge/fee (Rands/month)			57	61	66	91	-	-	-
Service point - vacant land (Rands/month)			57	61	66	91	-	-	-
Water usage - flat rate tariff (c/k)			-	-	-	-	-	-	-
Water usage - life line tariff (describe structure)			-	-	-	-	-	-	-
Water usage - Block 1 (c/k)			-	-	-	-	-	-	-
Water usage - Block 2 (c/k)			1,098	1,186	1,287	1,776	2,397	3,236	4,369
Water usage - Block 3 (c/k)			978	1,056	1,160	1,601	2,161	2,917	3,939
Water usage - Block 4 (c/k)			906	1,000	1,100	1,518	2,049	2,767	3,735
Other	2		-	-	-	-	-	-	-
Waste water tariffs									
Domestic									
Basic charge/fee (Rands/month)			85	92	100	-	-	-	-
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
Waste water - flat rate tariff (c/k)			-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/k)			-	-	-	-	-	-	-
Volumetric charge - Block 2 (c/k)			1,005	1,085	1,177	965	-	-	-
Volumetric charge - Block 3 (c/k)			873	943	1,023	839	-	-	-
Volumetric charge - Block 4 (c/k)			-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-
Electricity tariffs									
Domestic									
Basic charge/fee (Rands/month)			120	140	-	-	-	-	-
Service point - vacant land (Rands/month)			50	50	37	-	-	-	-
FBE (how is this targeted?)			-	-	-	-	-	-	-
Life-line tariff - meter (describe structure)			-	-	-	-	-	-	-
Life-line tariff - prepaid (describe structure)			-	-	-	-	-	-	-
Flat rate tariff - meter (c/kwh)			-	-	-	-	-	-	-
Flat rate tariff - prepaid (c/kwh)			-	-	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)			70	74	74	83	91	98	106
Meter - IBT Block 2 (c/kwh)			83	88	96	107	117	126	137
Meter - IBT Block 3 (c/kwh)			107	114	124	139	152	164	177
Meter - IBT Block 4 (c/kwh)			123	132	142	159	174	188	203
Meter - IBT Block 5 (c/kwh)			-	-	-	-	-	-	-
Prepaid - IBT Block 1 (c/kwh)			70	74	74	83	91	98	106
Prepaid - IBT Block 2 (c/kwh)			83	88	96	107	117	126	137
Prepaid - IBT Block 3 (c/kwh)			107	114	124	139	152	164	177
Prepaid - IBT Block 4 (c/kwh)			123	132	142	159	174	188	203
Prepaid - IBT Block 5 (c/kwh)			-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-
Waste management tariffs									
Domestic									
Street cleaning charge			-	-	-	-	-	-	-
Basic charge/fee			-	-	-	-	-	-	-
80l bin - once a week			78	86	14,210	15,347	16,556	17,917	19,449
250l bin - once a week			118	129	14,210	15,347	16,556	17,917	19,449

MP322 Mbombela - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
							Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Exemptions, reductions and rebates (Rands)									
ASSESSMENT RATES REBATES - RESIDENTIAL R80		80,000	0.7432	0.7915	0.7915	0.8390	0.8944	0.9498	1.0059
PUBLIC SERVICE INFRASTRUCTURE - FIRST 30%			0.1858	0.1979	0.1979	0.2098	0.2236	0.2375	0.2515
Water tariffs									
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL	-	-	-	-	-	-	-	-
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL	10.98	11.86	11.86					
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL	9.78	10.56	10.56					
RESIDENTIAL CUSTOMERS & AGRICULTURE	6 KL	9.06	10.00	10.00					
	(fill in thresholds)								
BUSINESS COMMERCIAL INDUSTRIAL SCHOOLS	(fill in thresholds)	8.95	9.67	9.67	13.34	18.28	24.68	33.32	
BULK CUSTOMERS OUTSIDE MUNICIPAL AREA	(fill in thresholds)	9.83	10.62	10.62	14.66	20.08	27.11	36.59	
MUNICIPAL DEPARTMENTS	(fill in thresholds)	8.95	9.67	9.67	3.34	4.58	6.19	8.35	
	(fill in thresholds)								
Waste water tariffs									
RESIDENTIAL CUSTOMERS	6 KL	-	-	-	-	-	-	-	-
RESIDENTIAL CUSTOMERS	6 KL	10.05	10.85	10.85	11.935				
RESIDENTIAL CUSTOMERS	6 KL	8.73	9.43	9.43	10.373				
BASIC CHARGE	(fill in structure)	85.45		92.29	101.519	83.25	68.26	61.44	
BORE HOLES	(fill in structure)	174.51		188.47	207.317	170.00	140.00	125.46	
BUSINESS COMMERCIAL INDUSTRIAL CUSTOMERS -	(fill in structure)	3843.83		4151.34	4566.474	3744.51	3,070.50	2,763.45	
PINE LAKE INN	(fill in structure)	2871.17		3100.86	3410.946	2796.98	2,293.52	2,064.17	
INDUSTRIAL GOVERNMENT - TRANSNET	(fill in structure)	307.52		332.12	365.332	299.57	245.65	221.08	
BORE HOLES	(fill in structure)		-	406.67	447.337	366.82	300.79	270.71	
Electricity tariffs									
BAFFALLO, KUDU AND HIPPO	50 KL	70.00	73.85	74.00	82.88	90.67	97.92	105.76	
BAFFALLO, KUDU AND HIPPO	(fill in thresholds)	83.00	88.40	95.53	106.99	117.05	126.42	136.53	
BAFFALLO, KUDU AND HIPPO	(fill in thresholds)	107.00	114.49	123.72	138.57	151.59	163.72	176.82	
BAFFALLO, KUDU AND HIPPO		123.00	131.63	142.24	159.31	174.28	188.23	203.28	
					-	-	-	-	
					-	-	-	-	
RHINO		120	140.00	155.00	173.60	189.92	205.11	221.52	
LION LOW TENSION		52.00	74.00	80.00	89.60	98.02	105.86	114.33	
LION LOW TENSION		55.00	55.00	60.00	67.20	73.52	79.40	85.75	
LION LOW TENSION		86.00	56.00	61.00	68.32	74.74	80.72	87.18	
LION LOW TENSION		1190.00	1280.00	1384.00	1,550.08	1,695.79	1,831.45	1,977.97	
LION LOW TENSION					-	-	-	-	
					-	-	-	-	
CHEETAH HIGH TENSION TARIFF		49.00	71.00	77.00	86.24	94.35	101.89	110.05	
CHEETAH HIGH TENSION TARIFF		55.00	52.00	57.00	63.84	69.84	75.43	81.46	
CHEETAH HIGH TENSION TARIFF		83.00	56.00	61.00	68.32	74.74	80.72	87.18	
CHEETAH HIGH TENSION TARIFF		1660.00	1790.00	1935.00	2,167.20	2,370.92	2,560.59	2,765.44	
					-	-	-	-	
NYALA HIGH DEMAND SEASON		52.00	280.00	303.00	339.36	371.26	400.96	433.04	
NYALA HIGH DEMAND SEASON		52.00	110.00	119.00	133.28	145.81	157.47	170.07	
NYALA HIGH DEMAND SEASON		52.00	64.00	69.00	77.28	84.54	91.31	98.61	
NYALA HIGH DEMAND SEASON		-	15.00	17.00	19.04	20.83	22.50	24.30	
					-	-	-	-	
NYALA LOW DEMAND SEASON		52.00	118.00	127.00	142.24	155.61	168.06	181.50	
NYALA LOW DEMAND SEASON		52.00	84.00	91.00	101.92	111.50	120.42	130.05	
NYALA LOW DEMAND SEASON		52.00	57.00	61.00	68.32	74.74	80.72	87.18	
	(fill in thresholds)								

MP322 Mbombela - Supporting Table SA14 Household bills

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		268.77	286.29	286.29	303.47	303.47	303.47	6.6%	323.50	343.55	363.82
Electricity : Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity : Consumption		1,043.50	1,114.87	1,218.85	1,365.11	1,365.11	1,365.11	7.6%	1,469.41	1,601.07	1,743.56
Water: Basic levy		56.55	61.07	66.26	72.89	72.89	72.89	37.0%	99.86	134.80	181.99
Water: Consumption		263.52	284.64	308.83	339.72	339.72	339.72	37.0%	465.41	628.31	848.22
Sanitation		241.20	260.40	282.53	182.86	182.86	182.86	(18.0%)	149.95	122.96	110.66
Refuse removal		117.97	128.19	141.01	152.29	152.29	152.29	7.9%	164.32	177.83	193.03
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1,991.51	2,135.46	2,303.78	2,416.33	2,416.33	2,416.33	10.6%	2,672.44	3,008.51	3,441.28
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total large household bill:		1,991.51	2,135.46	2,303.78	2,416.33	2,416.33	2,416.33	10.6%	2,672.44	3,008.51	3,441.28
% increase/-decrease			7.2%	7.9%	4.9%	-	-		10.6%	12.6%	14.4%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		182.07	193.94	193.94	205.58	205.58	205.58	6.6%	219.14	232.73	246.46
Electricity : Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity : Consumption		444.50	473.86	526.17	590.36	590.36	590.36	7.6%	635.47	692.40	754.03
Water: Basic levy		56.55	61.07	66.26	72.89	72.89	72.89	37.0%	99.86	134.80	181.99
Water: Consumption		208.62	225.34	244.49	268.94	268.94	268.94	37.0%	368.45	497.41	671.50
Sanitation		190.95	206.15	223.67	182.86	182.86	182.86	(18.0%)	149.95	122.96	110.66
Refuse removal		78.39	85.84	94.42	101.98	101.98	101.98	7.9%	110.03	119.08	129.26
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1,161.08	1,246.20	1,348.96	1,422.61	1,422.61	1,422.61	11.3%	1,582.90	1,799.38	2,093.90
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		1,161.08	1,246.20	1,348.96	1,422.61	1,422.61	1,422.61	11.3%	1,582.90	1,799.38	2,093.90
% increase/-decrease			7.3%	8.2%	5.5%	-	-		11.3%	13.7%	16.4%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity : Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity : Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-	-	-	-	-

MP322 Mbombela - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
NEDCOR		10 Years	Sinking Fund	No	Variable	6.45	0	0	30 September 2016	16,974	924	-	-	17,897
										-	-	-	-	-
Municipality sub-total										16,974	-	-	-	17,897
Entities														
														-
														-
														-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	1									16,974	-	-	-	17,897

MP322 Mbombela - Supporting Table SA17 Borrowing

M22 Income Statement - Supporting Table 5.1.7 - Borrowing										
Borrowing - Categorised by type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		189,428	226,517	255,626	339,393	307,643	307,643	287,233	265,637	248,428
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	189,428	226,517	255,626	339,393	307,643	307,643	287,233	265,637	248,428
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	189,428	226,517	255,626	339,393	307,643	307,643	287,233	265,637	248,428

MP322 Mbombela - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		357,061	354,325	397,237	471,502	471,502	471,502	510,209	546,450	601,175
Local Government Equitable Share		312,298	342,190	388,663	462,073	462,073	462,073	503,877	544,750	599,347
Finance Management		1,500	1,550	1,600	1,600	1,600	1,600	1,625	1,700	1,828
Municipal Systems Improvement		800	890	934	930	930	930			
EPWP Incentiv e		2,954	1,695	6,040	6,899	6,899	6,899	4,707		
Integrated National Electrification Programme		-	8,000	-	-	-	-			
Water Services Operating Subsidy		3,009	-	-	-	-	-			
Other transfers/grants [EEDSM / AFCON 2013]		36,500	-	-	-	-	-			
Provincial Government:		1,000	0	0	-	-	-	-	-	-
Housing		1,000	-	-	-	-	-			
		0	0	0	-	-	-			
Mbombela Taxi Disaster										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	358,061	354,325	397,237	471,502	471,502	471,502	510,209	546,450	601,175
Capital Transfers and Grants										
National Government:		293,265	381,766	511,234	555,633	555,633	555,633	607,929	649,406	690,815
Municipal Infrastructure Grant (MIG)		188,062	241,164	286,043	298,264	298,264	298,264	300,134	314,927	334,164
Public Transport and Systems		98,703	123,762	195,191	116,540	116,540	116,540	200,058	200,014	215,023
Neighbourhood Development Partnership		-	-	5,000	65,829	65,829	65,829	48,637	57,782	47,110
		-	7,660	-	-	-	-			
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [WSOG] & INEP , M		6,500	9,180	25,000	75,000	75,000	75,000	59,100	76,683	94,518
Provincial Government:		-	-	80,000	-	-	-	-	-	-
Other capital transfers/grants [Human Settlement]			-	80,000						
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		16	1	1	-	-	-	-	-	-
LOTTERY/AFCON		16	1	1						
EEDSM										
Total Capital Transfers and Grants	5	293,281	381,767	591,235	555,633	555,633	555,633	607,929	649,406	690,815
TOTAL RECEIPTS OF TRANSFERS & GRANTS		651,342	736,092	988,472	1,027,135	1,027,135	1,027,135	1,118,138	1,195,856	1,291,990

MP322 Mbombela - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		350,668	346,463	397,237	471,502	471,502	471,502	510,209	546,450	601,175
Local Government Equitable Share		312,298	342,190	388,663	462,073	462,073	462,073	503,877	544,750	599,347
Finance Management		1,561	1,476	1,600	1,600	1,600	1,600	1,625	1,700	1,828
Municipal Systems Improvement		1,041	693	934	930	930	930			
EPWP Incentiv e		2,130	1,839	6,040	6,899	6,899	6,899	4,707		
Integrated National Electrification Programme		4,056	265	-	-	-	-			
Water Services Operating Subsidy		3,009	-	-	-	-	-			
Other transfers/grants [EEDSM / AFCON 2013]		26,574	-	-	-	-	-			
Provincial Government:		1,000	-	1,125	-	-	-	-	-	-
Housing		1,000	-	-	-	-	-			
		-	-	1,125	-	-	-			
Mbombela Taxi Disaster										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		34,558	13,089	32,648	-	-	-	-	-	-
MIG/PTIG		34,277	12,939	27,734						
DISASTER RELIEF/NDPG		281	150	4,914						
Total operating expenditure of Transfers and Grants		386,227	359,552	431,010	471,502	471,502	471,502	510,209	546,450	601,175
Capital expenditure of Transfers and Grants										
National Government:		158,144	162,530	511,234	555,633	555,633	555,633	607,929	649,406	690,815
Municipal Infrastructure Grant (MIG)		106,073	101,072	286,043	298,264	298,264	298,264	300,134	314,927	334,164
Public Transport and Systems		43,604	52,759	195,191	116,540	116,540	116,540	200,058	200,014	215,023
Neighbourhood Development Partnership		910	-	5,000	65,829	65,829	65,829	48,637	57,782	47,110
		-	2,568	-	-	-	-			
		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [WSOG] & INEP , M		7,557	6,132	25,000	75,000	75,000	75,000	59,100	76,683	94,518
Provincial Government:		-	-	5,124	-	-	-	-	-	-
Other capital transfers/grants [Human Settlement]			-	5,124						
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		6,077	7,848	1,319	-	-	-	-	-	-
LOTTERY/AFCON		4,755	4,764	358						
EEDSM/DISASTER RELIEF/EPWP		1,323	3,085	961						
Total capital expenditure of Transfers and Grants		164,221	170,379	517,677	555,633	555,633	555,633	607,929	649,406	690,815
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		550,448	529,931	948,687	1,027,135	1,027,135	1,027,135	1,118,138	1,195,856	1,291,990

MP322 Mbombela - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		382,171	359,287	432,816	574,714	573,838	573,838	624,125	692,665	779,097
Conditions met - transferred to revenue		382,171	359,287	432,816	574,714	573,838	573,838	624,125	692,665	779,097
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		382,171	359,287	432,816	574,714	573,838	573,838	624,125	692,665	779,097
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		163,788	176,109	432,539	436,592	588,569	588,569	494,013	503,191	512,893
Conditions met - transferred to revenue		163,788	176,109	432,539	436,592	588,569	588,569	494,013	503,191	512,893
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		163,788	176,109	432,539	436,592	588,569	588,569	494,013	503,191	512,893
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		545,959	535,397	865,355	1,011,306	1,162,407	1,162,407	1,118,138	1,195,856	1,291,990
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

MP322 Mbombela - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<u>Cash Transfers to other municipalities</u>										
<i>Insert description</i>	1									
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Entities/Other External Mechanisms</u>										
<i>Insert description</i>	2									
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-
<u>Cash Transfers to other Organs of State</u>										
<i>Insert description</i>	3			-						
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Organisations</u>										
<i>SPCA</i>				-						
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Groups of Individuals</u>										
<i>Equitable Share for Indigents</i>		25,874	23,707	26,833	150,239	158,411	158,411	159,048	169,678	180,678
Total Cash Transfers To Groups Of Individuals:		25,874	23,707	26,833	150,239	158,411	158,411	159,048	169,678	180,678
TOTAL CASH TRANSFERS AND GRANTS	6	25,874	23,707	26,833	150,239	158,411	158,411	159,048	169,678	180,678
<u>Non-Cash Transfers to other municipalities</u>										
<i>Insert description</i>	1									
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u>										
<i>Insert description</i>	2									
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other Organs of State</u>										
<i>Insert description</i>	3									
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-
<u>Non-Cash Grants to Organisations</u>										
<i>Insert description</i>	4									
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-
<u>Groups of Individuals</u>										
<i>Insert description</i>	5									
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	25,874	23,707	26,833	150,239	158,411	158,411	159,048	169,678	180,678

MP322 Mbombela - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12,803	15,550	16,549	18,140	18,140	18,140	19,515	20,881	22,343
Pension and UIF Contributions		1,885	2,270	2,419	2,968	2,968	2,968	3,176	3,398	3,636
Medical Aid Contributions		338	476	586	584	584	584	625	669	716
Motor Vehicle Allowance		4,772	5,935	6,305	5,820	5,820	5,820	6,228	6,664	7,130
Cellphone Allowance		1,040	1,599	1,620	1,804	1,804	1,804	1,930	2,065	2,209
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		88	61	409	95	95	95	102	109	117
Sub Total - Councillors		20,925	25,892	27,887	29,411	29,411	29,411	31,575	33,786	36,151
% increase	4		23.7%	7.7%	5.5%	–	–	7.4%	7.0%	7.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		4,729	4,561	4,834	5,095	5,095	5,095	5,452	5,833	6,242
Pension and UIF Contributions		1,012	887	940	977	977	977	1,046	1,119	1,197
Medical Aid Contributions		118	128	136	124	124	124	133	142	152
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	1,060	844	895	805	805	805	862	922	986
Cellphone Allowance	3	146	126	134	147	147	147	158	169	181
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	140	32	34	28	28	28	30	32	34
Payments in lieu of leave		150	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		7,354	6,577	6,972	7,177	7,177	7,177	7,680	8,217	8,793
% increase	4		(10.6%)	6.0%	2.9%	–	–	7.0%	7.0%	7.0%
Other Municipal Staff										
Basic Salaries and Wages		230,149	297,264	337,268	341,971	339,831	339,831	363,620	396,057	429,449
Pension and UIF Contributions		53,018	54,032	59,975	66,992	66,992	66,992	71,681	76,699	82,068
Medical Aid Contributions		18,187	20,521	22,778	27,589	27,589	27,589	29,520	31,587	33,798
Overtime		39,275	41,238	45,775	56,747	56,747	56,747	60,719	64,970	69,517
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	17,887	19,487	21,631	17,511	17,511	17,511	18,737	20,049	21,452
Cellphone Allowance	3	1,544	1,715	1,903	2,122	2,122	2,122	2,271	2,430	2,600
Housing Allowances	3	2,736	2,525	2,802	3,260	3,260	3,260	3,488	3,732	3,994
Other benefits and allowances	3	27,227	5,955	6,610	3,865	3,865	3,865	4,135	4,425	4,734
Payments in lieu of leave		5,684	2,248	2,496	4,741	4,741	4,741	5,073	5,428	5,808
Long service awards		3,473	3,977	4,415	4,799	4,799	4,799	5,135	5,494	5,879
Post-retirement benefit obligations	6	11,686	7,457	8,277	9,318	9,318	9,318	9,970	10,668	11,415
Sub Total - Other Municipal Staff		410,864	456,420	513,931	538,915	536,776	536,776	574,350	621,539	670,714
% increase	4		11.1%	12.6%	4.9%	(0.4%)	–	7.0%	8.2%	7.9%
Total Parent Municipality		439,144	488,889	548,789	575,503	573,364	573,364	613,605	663,542	715,658
			11.3%	12.3%	4.9%	(0.4%)	–	7.0%	8.1%	7.9%
TOTAL SALARY, ALLOWANCES & BENEFITS		439,144	488,889	548,789	575,503	573,364	573,364	613,605	663,542	715,658
% increase	4		11.3%	12.3%	4.9%	(0.4%)	–	7.0%	8.1%	7.9%
TOTAL MANAGERS AND STAFF	5,7	418,218	462,997	520,903	546,092	543,953	543,953	582,030	629,756	679,507

MP322 Mbombela - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors	3						
Speaker	4	825,631	90,234	201,456			1,117,321
Chief Whip		752,314	84,523	195,632			1,032,469
Executive Mayor		1,023,523	112,354	243,521			1,379,398
Deputy Executive Mayor		–	–	–			–
Executive Committee		8,523,423	1,832,560	3,724,491			14,080,474
Total for all other councillors		8,390,236	1,681,303	3,776,212			13,847,751
Total Councillors	8	19,515,127	3,800,974	8,141,312			31,457,413
Senior Managers of the Municipality	5						
Municipal Manager (MM)		1,045,630	358,521	323,915	–		1,728,066
Chief Finance Officer		954,632	143,961	290,351	–		1,388,944
Chief Operating officer		1,100,998	227,042	195,515	–		1,523,555
Corporate services		752,342	77,477	290,351	–		1,120,169
Community services		810,715	94,548	354,551	–		1,259,813
City Planning and Development		805,691	265,968	187,631	–		1,259,290
<i>List of each official with packages >= senior manager</i>							
Planning and Monitoring		920,037	106,824	290,351	–		1,317,212
Infrastructure Services		739,600	160,406	326,652	–		1,226,658
Water and Sanitation		889,534	202,851	226,151	–		1,318,536
							–
Total Senior Managers of the Municipality	8,10	8,019,179	1,637,596	2,485,467	–		12,142,242
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	27,534,306	5,438,570	10,744,818	–		43,717,694

MP322 Mbombela - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	4	–	10	68	–	10	68	–	10	68
Board Members of municipal entities	5									
Municipal employees	3	9	–	7	8	–	5			9
Municipal Manager and Senior Managers	7	72	68		97	69		106	74	
Other Managers										
Professionals		137	127	–	179	126	–	188	149	–
Finance		29	28	–	45	31		47	38	
Spatial/town planning		14	13	–	10	9		21	17	
Information Technology		–	–	–	–	–				
Roads		8	7	–	11	7		12	6	
Electricity		8	9	–	10	8		11	9	
Water		3	3	–	5	3		6	3	
Sanitation		–	2	–	5	3		5	2	
Refuse		3	3	–	6	6		6	6	
Other		66	56	–	87	61		80	68	
Technicians		390	348	–	420	295	–	408	296	–
Finance		89	77	–	98	73		102	79	
Spatial/town planning		22	23	–	16	13		34	22	
Information Technology		–	–	–	–	–				
Roads		15	15	–	20	15		22	17	
Electricity		23	20	–	19	14		20	16	
Water		12	7	–	21	11		15	13	
Sanitation		11	7	–	21	11		15	12	
Refuse		12	10	–	12	10		12	10	
Other		206	189	–	213	148		188	127	
Clerks (Clerical and administrative)		156	144	–	273	197		214	179	
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		193	182	–	354	253		358	344	
Elementary Occupations		714	638	–	651	524		740	685	
TOTAL PERSONNEL NUMBERS	9	1,665	1,511	75	1,982	1,476	73	2,014	1,737	77
% increase					19.0%	(2.3%)	(2.7%)	1.6%	17.7%	5.5%
Total municipal employees headcount	6, 10	1,665	1,596	–	1,982	1,466		2,014	1,727	
Finance personnel headcount	8, 10	154	152	–	204	147		163	163	
Human Resources personnel headcount	8, 10	72	59	–	80	58		86	68	

MP322 Mbombela - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source																	
Property rates			29,982	29,844	28,916	26,999	28,360	28,644	28,640	29,018	28,370	28,135	27,624	93,551	408,085	433,386	460,256
Property rates - penalties & collection charges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue			54,956	61,306	57,903	56,347	50,173	48,804	54,012	58,442	67,505	57,125	50,403	247,420	864,397	933,549	1,008,233
Service charges - water revenue			2,486	2,460	2,937	2,921	2,003	2,470	2,104	17,817	11,976	2,570	2,564	6,450	58,759	79,324	107,088
Service charges - sanitation revenue			1,183	1,103	1,398	1,229	1,007	1,055	969	1,160	1,110	1,156	1,091	1,109	13,570	11,127	9,124
Service charges - refuse revenue			6,144	6,202	6,155	6,103	6,109	6,191	6,117	6,137	6,213	6,142	6,185	18,236	85,935	92,997	100,946
Service charges - other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			693	660	1,403	719	1,029	716	588	717	551	575	561	19,222	27,434	30,726	34,413
Interest earned - external investments			78	1,114	313	1,253	172	1,225	218	258	332	872	279	3,228	9,342	10,463	11,718
Interest earned - outstanding debtors			676	626	160	664	788	718	1,476	757	735	742	707	3,644	11,690	13,093	14,664
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines			470	257	280	338	525	513	297	268	396	463	346	23,303	27,455	30,750	34,440
Licences and permits			57	284	563	142	563	104	188	284	57	199	284	113	2,837	3,177	3,558
Agency services			10,385	14,013	14,809	13,148	10,327	13,620	11,970	11,438	12,815	12,794	12,696	33,499	171,513	197,155	226,633
Transfers recognised - operational			260,784	-	-	-	207,623	-	-	-	155,718	-	-	-	624,125	692,665	779,097
Other revenue			2,465	1,107	320	1,121	588	5,872	1,806	9,283	136	4,501	2,301	36,069	65,570	70,343	77,488
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			370,359	118,976	115,157	110,984	309,268	109,932	108,386	135,579	285,914	115,273	105,040	485,845	2,370,712	2,598,755	2,867,658
Expenditure By Type																	
Employee related costs			41,562	51,761	50,332	51,782	49,147	53,676	51,873	50,255	49,193	52,809	53,798	25,842	582,030	629,756	679,507
Remuneration of councillors			2,596	2,596	2,596	2,635	2,627	2,624	2,558	2,559	2,588	4,498	2,793	787	31,457	33,408	35,379
Debt impairment			9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	9,960	119,521	101,371	110,769
Depreciation & asset impairment			20,799	20,799	20,799	20,799	20,799	20,799	20,799	20,799	20,799	20,799	20,799	20,799	249,592	259,575	269,958
Finance charges			-	-	-	-	-	22,982	-	-	-	-	-	22,982	45,964	43,612	41,309
Bulk purchases			7,133	36,334	65,866	3,192	87,971	98,592	2,274	41,694	37,967	39,389	118,790	44,283	583,487	638,952	699,612
Other materials			3,152	4,277	5,016	6,978	5,308	4,983	3,242	5,280	6,610	2,996	1,552	1,588	50,982	54,775	58,741
Contracted services			7,088	18,368	16,814	28,053	25,057	55,560	10,142	34,694	46,421	26,798	24,787	84,219	378,002	386,004	405,593
Transfers and grants			81	7,614	15,281	14,745	17,499	20,062	4,459	8,697	15,297	11,654	3,596	40,063	159,048	169,678	180,678
Other expenditure			5,501	16,082	20,766	19,517	19,259	51,624	2,172	13,058	29,105	17,777	9,538	25,206	229,606	237,603	253,008
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure			97,873	167,792	207,431	157,661	237,627	340,863	107,479	186,997	217,942	186,680	245,613	275,730	2,429,690	2,554,734	2,734,554
Surplus/(Deficit)			272,486	(48,816)	(92,274)	(46,678)	71,641	(230,931)	907	(51,418)	67,972	(71,408)	(140,574)	210,115	(58,977)	44,021	133,104
Transfers recognised - capital			-	24,644	25,658	27,533	51,822	53,068	32,362	37,317	124,559	33,980	33,980	49,090	494,013	503,191	512,893
Contributions recognised - capital			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			272,486	(24,172)	(66,616)	(19,145)	123,462	(177,863)	33,269	(14,101)	192,531	(37,427)	(106,593)	259,204	435,035	547,212	645,997
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1		272,486	(24,172)	(66,616)	(19,145)	123,462	(177,863)	33,269	(14,101)	192,531	(37,427)	(106,593)	259,204	435,035	547,212	645,997

MP322 Mbombela - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote																
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	7	7	7	8
Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		5,541	3,087	317	-	-	-	-	-	1,267	317	-	317	10,845	11,171	11,506
Vote 5 - FINANCIAL SERVICES		223,330	40,302	40,373	40,609	45,347	195,197	46,212	41,501	45,175	167,313	42,323	60,261	987,942	1,017,581	1,048,108
Vote 6 - CORPORATE SERVICES		0	76	0	2	1	350	11	553	185	2	340	89	1,610	1,658	1,708
Vote 7 - COMMUNITY SERVICES		18,215	20,928	22,548	20,857	18,320	21,560	19,884	19,757	21,199	23,158	23,875	156,694	386,995	398,605	410,563
Vote 8 - CITY PLANNING AND DEVELOPMENT		821	501	582	532	786	367	590	413	475	310	254	9,639	15,271	15,729	16,201
Vote 9 - WATER & SANITATION		4,732	5,399	7,247	5,991	5,539	7,915	25,025	8,459	7,937	32,104	44,946	51,367	206,660	212,860	219,245
Vote 10 - INFRASTRUCTURE DEVELOPMENT		72,534	80,131	105,929	105,552	97,481	128,130	98,755	160,161	117,983	111,341	111,175	66,223	1,255,394	1,444,336	1,673,213
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		325,173	150,426	176,995	173,543	167,474	353,517	190,477	230,843	194,219	334,545	222,914	344,597	2,864,725	3,101,946	3,380,551
Expenditure by Vote to be appropriated																
Vote 1 - COUNCIL		3,019	4,416	3,863	4,759	4,404	4,629	3,610	4,135	5,301	6,452	4,357	5,363	54,308	56,481	58,175
Vote 2 - COUNCIL SUPPORT		1,438	1,469	1,714	1,621	1,616	1,883	1,762	1,819	1,694	1,595	1,549	1,815	19,975	20,774	21,398
Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUPPORT		698	972	1,624	1,814	2,226	4,138	507	2,198	2,881	1,699	2,093	5,795	26,644	27,710	28,541
Vote 4 - MUNICIPAL MANAGER		14,754	2,592	17,215	4,929	4,891	3,739	4,077	15,468	8,145	7,975	6,488	7,968	98,232	102,162	105,227
Vote 5 - FINANCIAL SERVICES		4,789	11,024	12,144	10,508	10,158	10,880	8,888	24,324	13,116	18,566	9,332	10,688	144,416	150,193	154,699
Vote 6 - CORPORATE SERVICES		5,193	12,053	9,834	9,741	9,084	15,796	8,659	10,776	10,606	9,615	9,682	27,859	138,897	144,453	148,787
Vote 7 - COMMUNITY SERVICES		19,968	48,045	57,978	52,425	41,930	119,519	32,276	24,421	75,178	52,939	37,019	36,458	598,154	622,080	640,743
Vote 8 - CITY PLANNING AND DEVELOPMENT		2,693	3,242	3,800	3,969	5,657	5,562	3,040	3,340	4,084	4,197	3,834	23,071	66,489	69,148	71,223
Vote 9 - WATER & SANITATION		4,194	16,272	40,067	17,686	45,458	30,348	20,492	49,090	3,651	18,036	27,054	45,090	317,437	330,135	340,039
Vote 10 - INFRASTRUCTURE DEVELOPMENT		12,782	53,686	105,230	45,177	107,074	126,131	31,437	61,520	85,927	70,259	70,369	195,544	965,135	1,031,597	1,165,723
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		69,527	153,771	253,469	152,628	232,499	322,626	114,748	197,091	210,585	191,332	171,776	359,639	2,429,690	2,554,734	2,734,554
Surplus/(Deficit) before assoc.		255,646	(3,345)	(76,473)	20,915	(65,024)	30,891	75,729	33,753	(16,365)	143,213	51,138	(15,042)	435,035	547,212	645,997
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	255,646	(3,345)	(76,473)	20,915	(65,024)	30,891	75,729	33,753	(16,365)	143,213	51,138	(15,042)	435,035	547,212	645,997

MP322 Mbombela - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description		Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard																	
Governance and administration			214,024	40,802	41,400	44,426	188,559	41,178	35,606	41,974	173,736	38,069	41,380	98,016	999,170	1,084,473	1,190,868
Executive and council			-	-	39	-	-	-	-	-	-	-	-	-	39	42	44
Budget and treasury office			214,024	39,052	41,360	44,426	187,309	41,178	35,606	39,474	173,736	35,269	41,380	96,759	989,573	1,074,300	1,180,187
Corporate services			-	1,750	-	-	1,250	-	-	2,500	-	2,800	-	1,257	9,557	10,131	10,637
Community and public safety			2,500	2,200	4,125	3,800	3,400	2,450	5,021	3,125	5,550	1,520	4,468	1,749	39,908	42,302	44,417
Community and social services			-	-	525	-	-	-	521	-	-	-	-	-	1,046	1,108	1,164
Sport and recreation			-	850	1,300	2,300	1,250	-	2,150	-	2,300	-	2,948	-	13,098	13,884	14,578
Public safety			2,500	1,350	2,300	1,500	2,150	2,450	2,350	3,125	3,250	1,520	1,520	1,749	25,764	27,310	28,675
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services			1,250	350	25,094	26,208	52,472	54,268	125,184	131,537	133,853	56,317	60,145	69,217	735,894	817,816	927,135
Planning and development			1,250	350	450	550	650	1,200	625	750	450	350	550	378	7,553	8,006	8,407
Road transport			-	-	24,644	25,658	51,822	53,068	124,559	130,787	133,403	55,967	59,595	68,838	728,340	809,810	918,728
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services			65,060	71,331	78,759	86,901	81,983	93,806	85,096	90,398	100,452	101,308	96,850	137,809	1,089,753	1,157,355	1,218,132
Electricity			54,956	61,306	67,903	66,347	60,173	68,804	64,012	68,442	77,505	77,125	70,403	107,223	844,200	897,069	944,831
Water			2,437	2,412	2,880	12,864	12,421	17,467	11,741	12,328	13,315	14,646	16,843	12,346	131,700	139,602	146,583
Waste water management			1,643	1,532	1,942	1,706	1,399	1,465	1,346	1,611	1,541	1,515	1,541	135	17,376	18,419	19,340
Waste management			6,024	6,081	6,034	5,983	7,989	6,070	7,997	8,016	8,092	8,021	8,064	18,105	96,477	102,265	107,379
Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard			282,835	114,684	149,378	161,334	326,414	191,702	250,907	267,034	413,592	197,214	202,842	306,791	2,864,725	3,101,946	3,380,551
Expenditure - Standard																	
Governance and administration			19,650	32,484	32,898	32,271	32,915	41,462	38,920	60,928	52,241	52,015	59,223	113,046	568,051	585,093	608,496
Executive and council			10,250	10,763	11,839	13,023	14,585	16,773	19,289	22,182	25,510	29,336	32,270	23,463	229,283	236,162	245,608
Budget and treasury office			5,072	11,678	12,864	11,130	10,760	11,525	9,415	25,766	13,893	9,666	9,885	4,631	136,285	140,373	145,988
Corporate services			4,327	10,044	8,195	8,117	7,570	13,164	10,216	12,980	12,838	13,012	17,068	84,952	202,483	208,558	216,900
Community and public safety			21,379	23,886	29,715	24,311	30,026	31,962	34,961	38,778	39,220	39,978	12,715	18,266	345,198	355,554	369,776
Community and social services			2,550	2,678	2,945	3,004	3,094	3,187	3,283	3,381	3,483	3,587	1,500	1,480	34,171	35,197	36,604
Sport and recreation			12,500	13,125	14,175	15,309	16,534	17,856	18,749	19,687	20,080	20,482	4,500	4,592	177,590	182,917	190,234
Public safety			6,204	7,733	11,370	5,048	9,298	9,718	11,699	13,560	14,095	14,709	5,415	11,021	119,871	123,467	128,405
Housing			125	351	1,225	950	1,100	1,200	1,230	2,150	1,562	1,200	1,300	1,174	13,567	13,974	14,533
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services			29,325	30,855	34,128	37,561	42,715	48,415	57,264	46,893	50,975	37,714	27,825	11,669	455,340	521,153	619,630
Planning and development			3,500	3,850	4,235	4,320	4,406	4,494	4,584	4,676	4,769	4,865	2,500	1,723	47,922	49,360	51,334
Road transport			25,600	26,880	29,568	33,116	38,084	43,796	52,555	41,892	46,081	32,525	25,000	9,324	404,422	468,708	565,087
Environmental protection			225	125	325	125	225	125	125	325	125	325	325	621	2,996	3,086	3,209
Trading services			11,200	45,558	82,314	67,938	68,640	82,354	83,136	99,646	114,862	127,620	118,758	154,039	1,056,065	1,087,747	1,131,257
Electricity			-	30,278	54,889	38,915	35,436	44,283	39,389	47,267	56,721	68,065	81,678	116,434	613,355	631,756	657,026
Water			-	467	11,412	13,695	16,434	19,720	23,664	28,397	34,077	40,892	28,397	27,185	244,341	251,671	261,738
Waste water management			-	3,500	3,570	1,641	1,714	1,789	1,864	3,942	2,020	2,101	2,183	3,621	27,945	28,783	29,934
Waste management			11,200	11,312	12,443	13,688	15,056	16,562	18,218	20,040	22,044	16,562	6,500	6,800	170,424	175,537	182,558
Other			-	1,250	-	-	1,250	-	-	-	-	-	1,250	1,285	5,035	5,186	5,394
Total Expenditure - Standard			81,554	134,033	179,055	162,081	175,546	204,193	214,282	246,245	257,298	257,327	219,771	298,305	2,429,690	2,554,734	2,734,554
Surplus/(Deficit) before assoc.			201,281	(19,349)	(29,678)	(747)	150,868	(12,491)	36,625	20,788	156,294	(60,113)	(16,929)	8,486	435,035	547,212	645,997
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		1	201,281	(19,349)	(29,678)	(747)	150,868	(12,491)	36,625	20,788	156,294	(60,113)	(16,929)	8,486	435,035	547,212	645,997

MP322 Mbombela - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		473	789	1,104	789	789	789	1,578	789	789	789	-	789	9,466	12,674	27,167
Vote 5 - FINANCIAL SERVICES		566	944	1,321	944	944	944	1,887	-	944	1,887	-	944	11,324	13,000	9,491
Vote 6 - CORPORATE SERVICES		198	658	461	658	1,317	658	-	1,317	658	-	1,317	658	7,900	7,500	16,850
Vote 7 - COMMUNITY SERVICES		1,210	2,017	2,823	2,017	2,017	2,017	-	4,033	2,017	2,017	2,017	2,017	24,200	31,771	38,859
Vote 8 - CITY PLANNING AND DEVELOPMENT		2,771	4,619	6,466	4,619	4,619	4,619	4,619	-	9,237	4,619	4,619	4,619	55,424	64,539	56,290
Vote 9 - WATER & SANITATION		8,634	14,391	20,147	14,391	14,391	14,391	28,781	14,391	-	14,391	14,391	14,391	172,689	222,201	245,835
Vote 10 - INFRASTRUCTURE DEVELOPMENT		9,519	15,865	22,211	15,865	15,865	15,865	-	31,730	15,865	15,865	15,865	15,865	190,378	302,568	290,574
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	23,372	39,282	54,534	39,282	39,940	39,282	36,865	52,259	29,510	39,567	38,208	39,282	471,381	654,252	685,065
Single-year expenditure to be appropriated																
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUPPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		150	-	350	-	-	-	-	-	-	-	-	-	500	-	-
Vote 5 - FINANCIAL SERVICES		150	-	350	-	-	-	-	-	-	-	-	-	500	-	-
Vote 6 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - COMMUNITY SERVICES		61	403	141	202	202	202	-	403	202	202	-	403	2,420	-	-
Vote 8 - CITY PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WATER & SANITATION		1,225	2,042	2,858	2,042	2,042	2,042	2,042	-	4,083	-	2,042	4,083	24,500	-	-
Vote 10 - INFRASTRUCTURE DEVELOPMENT		6,383	10,638	14,893	10,638	10,638	10,638	10,638	10,638	10,638	10,638	10,638	10,638	127,654	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	7,968	13,083	18,592	12,881	12,881	12,881	12,680	11,041	14,923	10,840	12,680	15,125	155,574	-	-
Total Capital Expenditure	2	31,340	52,365	73,126	52,163	52,821	52,163	49,545	63,300	44,433	50,407	50,887	54,406	626,955	654,252	685,065

MP322 Mbombela - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		1,458	2,431	3,403	2,431	2,431	2,431	2,300	2,236	2,756	2,431	2,431	2,431	29,166	33,174	53,508
Executive and council		473	789	1,104	789	789	789	-	1,578	789	789	789	789	9,466	12,674	27,167
Budget and treasury office		590	983	1,377	983	983	983	983	-	1,967	983	983	983	11,800	13,000	9,491
Corporate services		395	658	922	658	658	658	1,317	658	-	658	658	658	7,900	7,500	16,850
<i>Community and public safety</i>		1,550	2,583	3,616	2,416	2,750	2,416	3,498	1,668	2,416	2,747	2,419	2,916	30,996	29,300	21,447
Community and social services		449	748	1,048	748	748	748	1,497	-	748	748	748	748	8,980	5,970	9,947
Sport and recreation		501	835	1,170	835	835	835	835	835	835	-	1,671	835	10,026	10,500	500
Public safety		500	833	1,166	833	833	833	833	833	833	1,665	-	833	9,990	9,830	7,000
Housing		100	167	233	-	333	-	333	-	-	333	-	500	2,000	3,000	4,000
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		15,991	26,652	37,313	26,652	26,652	26,652	26,652	26,652	26,652	51,721	1,583	26,652	319,825	328,753	338,407
Planning and development		475	792	1,108	792	792	792	792	792	792	-	1,583	792	9,500	9,320	9,447
Road transport		15,516	25,860	36,205	25,860	25,860	25,860	25,860	25,860	25,860	51,721	-	25,860	310,325	319,433	328,959
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		12,335	20,559	28,783	20,559	20,559	20,559	17,069	24,049	20,559	15,324	11,745	34,608	246,708	261,993	270,685
Electricity		1,430	2,383	3,336	2,383	2,383	2,383	2,383	2,383	2,383	-	4,765	2,383	28,593	25,158	13,947
Water		8,430	14,049	19,669	14,049	14,049	14,049	14,049	14,049	14,049	14,049	-	28,098	168,590	194,807	207,142
Waste water management		2,094	3,490	4,885	3,490	3,490	3,490	-	6,979	3,490	-	6,979	3,490	41,875	26,557	28,184
Waste management		383	638	893	638	638	638	638	638	638	1,275	-	638	7,650	15,471	21,412
<i>Other</i>		-	-	43	-	-	43	-	-	43	-	43	87	260	1,033	1,019
Total Capital Expenditure - Standard	2	31,335	52,225	73,158	52,058	52,391	52,101	49,520	54,605	52,426	72,222	18,221	66,694	626,955	654,252	685,065
Funded by:																
National Government		24,701	41,168	57,635	41,168	41,168	41,168	41,168	41,168	41,168	82,335	-	41,168	494,013	503,191	512,893
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		24,701	41,168	57,635	41,168	41,168	41,168	41,168	41,168	41,168	82,335	-	41,168	494,013	503,191	512,893
Public contributions & donations		236	394	551	394	394	394	394	394	394	-	787	394	4,723	12,000	7,500
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		6,411	10,685	14,959	10,685	10,685	10,685	10,685	10,685	10,685	21,370	-	10,685	128,220	139,061	164,672
Total Capital Funding		31,348	52,246	73,145	52,246	52,246	52,246	52,246	52,246	52,246	103,705	787	52,246	626,955	654,252	685,065

MP322 Mbombela - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand													1		
Cash Receipts By Source															
Property rates	29,982	29,844	28,916	26,999	28,360	28,644	28,640	29,018	28,370	28,135	27,624	61,400	375,934	407,250	431,824
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	65,947	73,567	69,484	67,617	60,208	58,565	64,814	70,131	81,006	68,551	65,524	96,624	842,036	915,371	988,458
Service charges - water revenue	2,486	2,460	2,937	2,921	2,003	2,470	2,104	17,817	11,976	2,570	2,564	3,094	55,402	76,595	104,119
Service charges - sanitation revenue	1,183	1,103	1,398	729	1,007	755	969	860	910	756	791	911	11,372	9,340	7,180
Service charges - refuse revenue	2,144	3,202	3,155	3,103	3,109	3,191	3,117	3,137	3,213	3,142	3,185	6,486	40,185	55,805	60,487
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	693	660	1,403	2,719	1,029	2,716	2,588	2,717	2,551	2,575	2,561	5,222	27,434	30,726	34,413
Interest earned - external investments	78	1,114	313	1,253	172	1,225	218	258	332	872	279	3,228	9,342	10,463	11,718
Interest earned - outstanding debtors	676	626	160	664	788	718	1,476	757	735	742	707	3,644	11,680	13,093	14,664
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	470	257	280	338	525	513	297	268	396	463	346	9,598	13,750	15,401	17,249
Licences and permits	57	284	563	142	563	104	188	284	57	199	284	113	2,837	3,177	3,558
Agency services	10,385	14,013	14,809	13,148	10,327	13,620	11,970	11,438	12,815	12,794	12,696	33,499	171,513	197,155	226,633
Transfer receipts - operational	260,784	-	-	-	207,623	-	-	-	155,718	-	-	-	624,125	692,665	779,097
Other revenue	2,465	1,107	320	1,121	588	5,872	1,806	9,283	136	4,501	2,301	36,069	65,570	70,343	77,488
Cash Receipts by Source	377,351	128,237	123,738	120,753	316,302	118,393	118,188	145,967	298,215	125,298	118,861	259,888	2,251,191	2,497,384	2,756,889
Other Cash Flows by Source															
Transfer receipts - capital	-	24,644	25,658	27,533	51,822	53,068	32,362	37,317	124,559	33,980	33,980	49,090	494,013	503,191	512,893
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	377,351	152,881	149,396	148,286	368,124	171,461	150,550	183,284	422,774	159,278	152,841	308,978	2,745,204	3,000,575	3,269,782
Cash Payments by Type															
Employee related costs	41,562	51,761	50,332	51,782	49,147	53,676	51,873	50,255	49,193	52,809	53,798	25,842	582,030	629,756	679,507
Remuneration of councillors	2,596	2,596	2,596	2,635	2,627	2,624	2,558	2,559	2,588	4,498	2,793	787	31,457	33,408	35,379
Finance charges	-	-	-	-	-	14,061	-	-	-	-	-	14,061	28,122	25,770	23,467
Bulk purchases - Electricity	-	33,306	36,982	36,385	41,747	40,718	40,345	37,407	46,826	48,009	48,009	126,514	536,251	588,267	645,329
Bulk purchases - Water & Sewer	-	2,103	2,418	2,781	3,198	3,518	3,869	4,256	4,682	5,150	5,665	9,596	47,236	50,685	54,283
Other materials	3,152	4,277	5,016	6,978	5,308	4,983	3,242	5,280	6,610	2,996	1,552	1,588	50,982	54,775	58,741
Contracted services	7,088	18,368	16,814	28,053	25,057	55,560	10,142	34,694	46,421	26,798	24,787	84,219	378,002	386,004	405,593
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	81	7,614	15,281	14,745	17,499	20,062	4,459	8,697	15,297	11,654	3,596	40,063	159,048	169,678	180,678
Other expenditure	5,501	16,082	20,766	19,517	19,259	51,624	2,172	13,058	29,105	17,777	9,538	25,206	229,606	237,603	253,008
Cash Payments by Type	59,980	136,108	150,206	162,876	163,842	246,827	118,660	156,206	200,723	169,691	149,739	327,877	2,042,735	2,175,945	2,335,985
Other Cash Flows/Payments by Type															
Capital assets	2,704	7,172	24,139	37,187	71,885	44,755	37,230	31,356	64,019	34,518	141,876	130,113	626,955	654,252	685,065
Repayment of borrowing	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	21,203	20,410	21,596
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	64,451	145,047	176,112	201,831	237,493	293,349	157,657	189,330	266,510	205,976	293,382	459,757	2,690,893	2,850,608	3,042,646
NET INCREASE/(DECREASE) IN CASH HELD	312,900	7,835	(26,716)	(53,545)	130,631	(121,888)	(7,107)	(6,045)	156,264	(46,698)	(140,541)	(150,779)	54,310	149,966	227,136
Cash/cash equivalents at the month/year begin:	169,805	482,705	490,540	463,824	410,279	540,910	419,022	411,915	405,870	562,134	515,436	374,895	169,805	224,116	374,082
Cash/cash equivalents at the month/year end:	482,705	490,540	463,824	410,279	540,910	419,022	411,915	405,870	562,134	515,436	374,895	224,116	224,116	374,082	601,218

MP322 Mbombela - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Tedcor Pty Ltd	Yrs	1	Waste Collection Services in Kanyamazane Matsulu	July 2015 - 30 June 2016	
Sembcorp Silulumanzi	Yrs	30	Bulk Water Supply and Reticulation	Nov 199 to 30 Oct 2029	
African Meter Readers (AMR)	Yrs	1	Meter Reading		
Mandlakazi Electrical Pty Ltd	Yrs	1	Electricity Maintenance		
DELCA Systems	Yrs	1	Operational Designs of the ICC, Heritage Center and	Jan 2016 to 15 Jan 2016	
Buhle Besive Construction	Yrs	1	Management and Operation of Hazyview Waste Disposal Site		
Platinum Sport Consulting	Yrs	1	Stadium Management	October 2015 to 30 Sep 2016	
Mega Space (PTY)LTD JV Zim Electrical	Yrs	2	General breakdown maintenance and repair work on call-out basis		
Rand Water	Yrs	2	Bulk Water Supply		
Sanitech	Mths		Service provider for rental and service of chemical toilets for Rocky's Drift Cemetery for IV		
Ayamah Consulting Engineers	Yrs	3	Support Consultant for Water and Sanitation	July 2014 to 30 June 2017	

MP322 Mbombela - Supporting Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			142,720	143,832	252,572	223,396	229,900	229,900	259,716	235,841	218,424
Infrastructure - Road transport			90,842	83,846	135,446	110,587	110,587	110,587	202,895	185,300	152,188
Roads, Pavements & Bridges			90,842	83,846	135,446	110,587	108,957	108,957	202,895	185,300	152,188
Storm water							1,630	1,630			
Infrastructure - Electricity			2,851	4,068	4,755	8,459	8,459	8,459	16,994	25,158	13,947
Generation											
Transmission & Reticulation			2,851	4,068	4,755	8,459	4,200	4,200	16,994	25,158	13,947
Street Lighting							4,259	4,259			
Infrastructure - Water			27,079	36,345	96,476	89,050	92,905	92,905	11,547	10,677	28,500
Dams & Reservoirs									-	842	1,541
Water purification											
Reticulation			27,079	36,345	96,476	89,050	92,905	92,905	11,547	9,835	26,959
Infrastructure - Sanitation			20,146	16,733	6,267	9,700	12,348	12,348	26,629	11,657	20,184
Reticulation			20,146	16,733	6,267	9,700	12,348	12,348	26,629	11,657	20,184
Sewerage purification											
Infrastructure - Other			1,802	2,840	9,628	5,600	5,600	5,600	1,650	3,050	3,605
Waste Management			1,651		9,628	5,600	5,600	5,600	1,650	3,050	3,605
Transportation											
Gas											
Other			151	2,840	-						
Community			17,361	6,660	3,603	25,701	35,720	35,720	7,920	10,380	5,000
Parks & gardens					196	500	-	-			
Sportsfields & stadia			11,265	4,858	200	6,633	-	-			
Swimming pools							250	250			
Community halls			3,409	420	87	16,769	18,851	18,851			
Libraries					479		-	-			
Recreational facilities			2,114	1,013	186		-	-			
Fire, safety & emergency							12,141	12,141	5,170	6,680	4,100
Security and policing			183	274	2,002	1,800	1,978	1,978	2,750	3,700	900
Buses							2,000	2,000			
Clinics							-	-			
Museums & Art Galleries							-	-			
Cemeteries							500	500			
Social rental housing							-	-			
Other			390	95	453		-	-			
Heritage assets			367	-	-	-	-	-	-	-	-
Buildings			367				-	-			
Other							-	-			
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			859	7,221	24,168	38,510	40,311	40,311	50,406	54,477	76,496
General vehicles				2,635	14,752	15,170	15,170	15,170	16,700	13,421	23,107
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment					450	8,950	500	500	7,080	5,750	2,100
Computers - hardware/equipment							3,800	3,800	4,000	5,400	8,000
Furniture and other office equipment			195	2,396	3,647	2,479	2,179	2,179	3,000	3,180	3,371
Abattoirs							-	-			
Markets			390	349	1,021	1,926	3,926	3,926	1,760	2,533	3,019
Civic Land and Buildings				243	628	500	-	-			
Other Buildings				1,135	1,113	1,000	2,000	2,000	7,900	10,120	7,447
Other Land							-	-			
Surplus Assets - (Investment or Inventory)							-	-			
Other			274	464	2,557	8,484	12,735	12,735	9,966	14,073	29,453
Agricultural assets			1,716	179	544	-	-	-	-	-	-
List sub-class			1,716	179	544						
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			-	3,431	3,919	18,388	18,388	18,388	7,174	3,601	2,714
Computers - software & programming				3,431	3,919	18,388	18,388	18,388	7,174	3,601	2,714
Other (list sub-class)											
Total Capital Expenditure on new assets		1	163,023	161,323	284,805	305,996	324,319	324,319	325,216	304,299	302,634

MP322 Mbombela - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure			67,071	59,209	225,303	262,028	441,298	441,298	295,938	338,717	364,954
Infrastructure - Road transport			35,657	24,202	171,733	67,498	167,661	167,661	123,004	145,686	178,312
Roads, Pavements & Bridges			35,657	24,202	171,733	67,498	162,389	162,389	122,534	139,186	173,812
Storm water							5,272	5,272	470	6,500	4,500
Infrastructure - Electricity			1,288	4,753	5,184	20,280	15,234	15,234	11,598	-	-
Generation							-	-			
Transmission & Reticulation			1,288	4,753	5,184	20,280	15,234	15,234	11,598	-	-
Street Lighting							-	-			
Infrastructure - Water			27,044	12,946	35,639	149,227	227,212	227,212	146,089	178,131	178,642
Dams & Reservoirs							-	-	-	2,000	5,000
Water purification							15,000	15,000			
Reticulation			27,044	12,946	35,639	149,227	212,212	212,212	146,089	176,131	173,642
Infrastructure - Sanitation			607	2,872	6,233	24,523	28,545	28,545	15,246	14,900	8,000
Reticulation			607	2,872	6,233	24,523	28,545	28,545	15,246	14,900	8,000
Sewerage purification							-	-			
Infrastructure - Other			2,475	14,436	6,515	500	2,646	2,646	-	-	-
Waste Management				14,068	6,009	500	-	-			
Transportation							-	-			
Gas							-	-			
Other			2,475	368	506		2,646	2,646			
Community			3,205	919	43	10,042	22,366	22,366	14,876	13,320	5,297
Parks & gardens						800	2,100	2,100	2,000	1,310	1,274
Sportsfields & stadia			1,726			5,692	6,968	6,968	9,526	10,000	-
Swimming pools							-	-	1,000	1,060	1,124
Community halls			700		43	800	3,913	3,913			
Libraries							-	-			
Recreational facilities				885		1,000	(666)	(666)			
Fire, safety & emergency							8,852	8,852	850	650	600
Security and policing			780	26		1,200	1,200	1,200	500	300	300
Buses							-	-			
Clinics							-	-			
Museums & Art Galleries							-	-			
Cemeteries							-	-			
Social rental housing							-	-			
Other				8		550	-	-	1,000		2,000
Heritage assets			-	2,127	-	-	-	-	-	-	-
Buildings				2,127							
Other											
Investment properties			-	-	-	-	-	-	-	-	-
Housing development											
Other											
Other assets			3,691	7,268	2,961	4,350	17,355	17,355	5,900	6,420	2,620
General vehicles			439		2,576						
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment			142	448	191	2,200	2,746	2,746			
Computers - hardware/equipment							400	400			
Furniture and other office equipment			579	489			-	-			
Abattoirs							-	-			
Markets			347				-	-			
Civic Land and Buildings			376	4,628	29	1,650	2,165	2,165			
Other Buildings			995	53		500	8,589	8,589	5,900	6,420	2,620
Other Land							2,856	2,856			
Surplus Assets - (Investment or Inventory)							-	-			
Other			813	1,651	166		600	600			
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class											
Intangibles			422	-	2,829	-	4,400	4,400	3,000	4,700	11,400
Computers - software & programming			422		2,829		2,200	2,200	3,000	4,700	11,400
Other (list sub-class)							2,200	2,200			
Total Capital Expenditure on renewal of existing		1	74,389	69,523	231,137	276,420	485,420	485,420	319,713	363,157	384,272
Specialised vehicles			-	-	-	-	-	-	-	-	-
Refuse											
Fire											
Conservancy											
Ambulances											
Renewal of Existing Assets as % of total capex			31.3%	30.1%	44.8%	47.5%	59.9%	59.9%	49.6%	54.4%	55.9%
Renewal of Existing Assets as % of deprecn"			30.9%	31.3%	102.3%	144.7%	214.4%	214.4%	128.1%	139.9%	142.3%

MP322 Mbombela - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			84,531	89,135	116,613	138,396	138,396	138,396	164,973	184,913	201,168
Infrastructure - Road transport			49,519	47,803	58,438	59,606	59,606	59,606	75,423	91,053	102,969
Roads, Pavements & Bridges			28,601	29,850	41,480	42,310	42,310	42,310	65,643	80,730	92,077
Storm water			20,918	17,952	16,957	17,297	17,297	17,297	9,780	10,323	10,892
Infrastructure - Electricity			25,710	35,373	43,886	44,763	44,763	44,763	55,730	58,672	61,653
Generation			-	-	-	-	-	-	-	-	-
Transmission & Reticulation			25,710	35,373	43,886	44,763	44,763	44,763	55,730	58,672	61,653
Street Lighting			-	-	-	-	-	-	-	-	-
Infrastructure - Water			4,227	2,330	6,401	24,901	24,901	24,901	25,995	27,089	28,179
Dams & Reservoirs			-	-	-	-	-	-	-	-	-
Water purification			-	-	-	14,000	14,000	14,000	14,767	15,547	16,337
Reticulation			4,227	2,330	6,401	10,901	10,901	10,901	11,228	11,542	11,842
Infrastructure - Sanitation			4,227	2,330	4,286	5,450	5,450	5,450	5,614	5,771	5,921
Reticulation			-	-	-	-	-	-	-	-	-
Sewerage purification			4,227	2,330	4,286	5,450	5,450	5,450	5,614	5,771	5,921
Infrastructure - Other			847	1,299	3,603	3,675	3,675	3,675	2,211	2,328	2,446
Waste Management			847	1,299	3,603	3,675	3,675	3,675	2,211	2,328	2,446
Transportation	2		-	-	-	-	-	-	-	-	-
Gas			-	-	-	-	-	-	-	-	-
Other	3		-	-	-	-	-	-	-	-	-
Community			13,271	13,878	14,140	13,999	13,999	13,999	21,377	16,742	17,067
Parks & gardens			9,419	6,558	8,508	8,678	8,678	8,678	12,129	12,769	13,418
Sportsfields & stadia			833	2,323	3,316	3,382	3,382	3,382	1,134	1,194	1,255
Swimming pools			-	-	-	-	-	-	-	-	-
Community halls			-	-	-	-	-	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Recreational facilities			-	-	-	-	-	-	-	-	-
Fire, safety & emergency			-	-	-	-	-	-	500	500	-
Security and policing			1,624	1,284	1,900	1,938	1,938	1,938	3,164	2,278	2,394
Buses	7		-	-	-	-	-	-	-	-	-
Clinics			-	-	-	-	-	-	-	-	-
Museums & Art Galleries			-	-	-	-	-	-	-	-	-
Cemeteries			-	-	-	-	-	-	4,450	-	-
Social rental housing	8		-	-	-	-	-	-	-	-	-
Other			1,395	3,713	416	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings			-	-	-	-	-	-	-	-	-
Other	9		-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Housing development			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-
Other assets			35,981	52,104	53,173	54,661	54,661	54,661	44,558	47,089	49,424
General vehicles			26,407	31,858	28,506	29,076	29,076	29,076	26,140	27,520	28,918
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment			1,199	2,381	2,922	2,980	2,980	2,980	3,161	3,328	3,497
Computers - hardware/equipment			-	-	-	-	-	-	-	-	-
Furniture and other office equipment			-	-	-	-	-	-	-	-	-
Abattoirs			-	-	-	-	-	-	-	-	-
Markets			-	-	-	-	-	-	-	337	357
Civic Land and Buildings			8,375	17,865	21,745	22,180	22,180	22,180	14,948	15,579	16,310
Other Buildings			-	-	-	-	-	-	-	-	-
Other Land			-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)			-	-	-	-	-	-	-	-	-
Other			-	-	-	424	424	424	308	325	341
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming			-	-	-	-	-	-	-	-	-
Other (list sub-class)			-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1		133,783	155,117	183,926	207,055	207,055	207,055	230,908	248,745	267,659
Specialised vehicles			-	-	-	-	-	-	-	-	-
Refuse			-	-	-	-	-	-	-	-	-
Fire			-	-	-	-	-	-	-	-	-
Conservancy			-	-	-	-	-	-	-	-	-
Ambulances			-	-	-	-	-	-	-	-	-
R&M as a % of PPE			2.6%	3.0%	3.4%	3.7%	3.8%	3.8%	4.0%	4.0%	4.1%
R&M as % Operating Expenditure			7.5%	8.3%	8.7%	9.5%	9.1%	9.1%	9.5%	9.7%	9.8%

MP322 Mbombela - Supporting Table SA34d Depreciation by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		236,328	213,624	220,033	173,614	208,933	208,933	231,800	241,428	251,448
Infrastructure - Road transport		90,707	95,243	98,100	73,781	109,100	109,100	129,971	137,563	145,505
Roads, Pavements & Bridges		90,707	95,243	98,100	73,781	109,100	109,100	129,971	137,563	145,505
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		21,890	22,984	23,674	27,869	27,869	27,869	28,426	28,995	29,575
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		21,890	22,984	23,674	27,869	27,869	27,869	28,426	28,995	29,575
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		18,219	19,130	19,703	41,772	41,772	41,772	42,608	43,460	44,329
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		18,219	19,130	19,703	41,772	41,772	41,772	42,608	43,460	44,329
Infrastructure - Sanitation		104,525	75,231	77,488	28,469	28,469	28,469	29,038	29,619	30,211
Reticulation		14,911	15,657	16,126	28,469	28,469	28,469	29,038	29,619	30,211
Sewerage purification		89,614	59,574	61,362	-	-	-	-	-	-
Infrastructure - Other		987	1,037	1,068	1,723	1,723	1,723	1,757	1,792	1,828
Waste Management		987	1,037	1,068	1,723	1,723	1,723	1,757	1,792	1,828
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		4,474	4,331	5,802	17,443	17,443	17,443	17,791	18,147	18,510
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		4,125	4,331	4,461	5,120	5,120	5,120	5,222	5,326	5,433
Swimming pools		349	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	1,341	7,202	7,202	7,202	7,346	7,493	7,643
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		5,121	5,121	5,121	5,121	5,121	5,121	5,224	5,328	5,435
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Depreciation	1	240,802	217,955	225,835	191,056	226,375	226,375	249,592	259,575	269,958

MP322 Mbombela - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
R thousand								
Capital expenditure	1							
Vote 1 - COUNCIL		-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-
Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUPPORT		-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		9,966	12,674	27,167	-	-	-	-
Vote 5 - FINANCIAL SERVICES		11,824	13,000	9,491	-	-	-	-
Vote 6 - CORPORATE SERVICES		7,900	7,500	16,850	-	-	-	-
Vote 7 - COMMUNITY SERVICES		26,620	31,771	38,859	-	-	-	-
Vote 8 - CITY PLANNING AND DEVELOPMENT		55,424	64,539	56,290	-	-	-	-
Vote 9 - WATER & SANITATION		197,189	222,201	245,835	-	-	-	-
Vote 10 - INFRASTRUCTURE DEVELOPMENT		318,032	302,568	290,574	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
Total Capital Expenditure		626,955	654,252	685,065	-	-	-	-
Future operational costs by vote	2							
Vote 1 - COUNCIL		-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-
Vote 3 - STRATEGIC PLANNING & EXECUTIVE SUPPORT		-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-
Vote 5 - FINANCIAL SERVICES		-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES		-	-	-	-	-	-	-
Vote 7 - COMMUNITY SERVICES		-	-	-	-	-	-	-
Vote 8 - CITY PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-
Vote 9 - WATER & SANITATION		-	-	-	-	-	-	-
Vote 10 - INFRASTRUCTURE DEVELOPMENT		-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates		-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-
<i>List other revenues sources if applicable</i>		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		626,955	654,252	685,065	-	-	-	-

2.8 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

2.8.1 In-year reporting

Reporting requirements in terms of the Municipal Finance Management Act and its regulations have been complied with.

2.8.2 Internship program

The Municipality is participating in the Municipal Financial Management Internship program and has employed five interns undergoing training in various divisions of the Finance Department.

2.8.3 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

2.8.4 Audit Committee

An Audit Committee has been established and is fully functional.

2.8.5 Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalized within 28 days after the tabling of the annual 2016/2017 and MTREF on the 29 April 2016 directly aligned and informed by the 2016/2017 IDP and budget.

2.8.6 Annual Report

Annual report is compiled in terms of the Municipal Finance Management Act and its regulations.

2.8.7 Municipal Finance Management Act Training

The MFMA training module in electronic format is presented at the municipality's internal centre and training is ongoing.

2.8.8 Policies

All budget-related policies mentioned earlier have been tabled together with the draft budget before council on 23 March 2016, under item A(3).

2.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I **Mr. Noko Seanego**, Municipal Manager of Mbombela Local Municipality, hereby certify that the draft annual budget and supporting documentation for 2016/2017- 2018/2019 has been prepared in accordance with the Municipal Finance Management Act and its regulations made under the act are consistence with the Integrated Development Plan of the municipality.



Signature

05/04/2016

Date

DRAFT